Muddling through

Chinese economy lives dangerously

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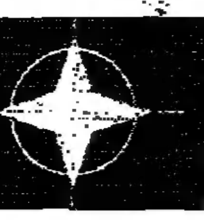

Drawing the line

How Nato woos its suitors

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FINANCIAL TIMES

Europe's Business Newspaper

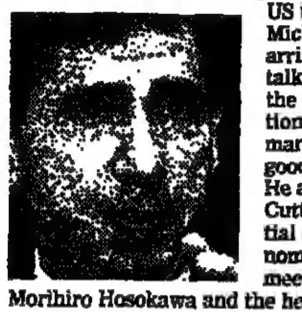
WEDNESDAY FEBRUARY 2 1994

BMW in talks to retain Rover's Honda alliance

BMW chairman Bernd Pischetsrieder is to meet Honda chief executive Nobuhiko Kawamoto to try to maintain the alliance between the Japanese carmaker and Rover, in which Honda holds 20 per cent of the equity. BMW bought the remaining 80 per cent of the carmaker from British Aerospace on Monday for £800m ($1,200m). British union officials reacted favourably yesterday to BMW's purchase after Mr Pischetsrieder gave assurances on job security and investment plans in the UK. Page 12; Observer, Page 11; Barry Riley, Page 13; German labour costs twice UK's, Page 18

UN to review Bosnia role: The military role of the United Nations in Bosnia will have to be reassessed because of the threat by several countries, including Britain, to pull out their troops, secretary-general Boutros Boutros Ghali said. Page 2

Kantor arrives in Tokyo for trade talks



US trade representative Mickey Kantor (left) arrived in Tokyo for talks aimed at breaking the impasse in negotiations to open Japan's markets to foreign goods and services. He and W. Bowman Cutter, deputy presidential assistant for economic policy, are to meet prime minister Morihiro Hosokawa and the heads of the foreign, trade and finance ministries. The US believes agreement is more likely at a political level, rather than through negotiations with the Japanese bureaucracy. Page 5

Footsie reaches all-time high: The FT-SE 100 index reached an all-time inflation-adjusted peak of 2,136.91 on Monday. Its previous high point was reached on July 13, 1987. The London stock market crash, which saw the Footsie plunge by 20 per cent, took place in October 1987. Page 13

Drug companies move into China: American, European and Japanese pharmaceuticals groups are moving into China to exploit one of the fastest growing drugs markets, estimated to have been worth Yn19.3bn ($2.22bn) in 1992, up 92 per cent compared with 1988. Page 5

Australia's growth rate picks up: Australia's gross domestic product is expected to grow at 3.5 per cent in the 1993-94 fiscal year compared with 2.75 per cent forecast in the budget in August, treasurer Ralph Willis said. Page 4

Kuwait seeks to boost oil industry: Kuwait is to consider privatising parts of its downstream petroleum industry in an effort to revitalise the economy and boost the private sector, according to senior Kuwaiti officials. Page 12

United Newspapers, publisher of the Daily and Sunday Express in the UK, expanded its US advertising periodicals business through the acquisition of Harmon Publishing Company for $100m cash. Page 13; Lex, Page 12

Eastman Kodak, troubled US photographic equipment manufacturer, reported a 33 per cent drop in fourth quarter net earnings to $201m. Page 13

Fed vice-chairman resigns: David Mullins, vice-chairman of the US Federal Reserve, announced his resignation. The move gives President Bill Clinton an opportunity to name a second governor to the Fed's seven-member board and so wield indirect influence on monetary policy. Page 3

RJR Nabisco, US cigarette and food group, continued to show the effects of the price war in its domestic cigarette market by reporting a slump into net losses of $496m for its fourth quarter. Page 13

NZ economy grows by 4.2%: New Zealand's economy grew 4.2 per cent in the year to September 30, pointing to one of the strongest recoveries the country has seen for many years. Page 4

M&S to sell pensions: Marks and Spencer, the UK's most profitable retailer, is to offer life and pensions products from next year in addition to its existing financial services. The company said its financial advisers would be salaried, and would receive no commission or incentive to sell. Page 14; Lex, Page 12

Floods hit Colombia: Flood waters up to 10 metres high swept across parts of south-west Colombia, killing at least 10 people.

■ STOCK MARKET INDICES

FT-SE 100:	3481.5	(-10.3)
Yield	3.38	
FT-SE Eurotrack 100	1532.83	(-7.36)
FT-SE-A All-Share	1745.25	(-0.0%)
Nikkei	20,416.34	(+187.22)
New York lunchtime:		
Dow Jones Ind Ave	3967.96	(-10.41)
S&P Composite	480.08	(-1.53)

■ US LUNCHTIME RATES

Federal Funds:	3¼%
3-mo Treas Bills: Yld	3.065%
Long Bond	99⅞
Yield	6.294%

■ LONDON MONEY

3-mo Interbank	5⅞%	(same)
Liffe long gilt future:	Mar 118⅞	(Mar119⅞)

■ NORTH SEA OIL (Argus)

Brent 15-day (Mar)	$14.355	(14.145)

■ Gold

New York Comex (Feb)	$384.1	(381.2)
London	$384.75	(378.25)

■ STERLING

New York lunchtime:		
$	1.5025	
London:		
$	1.5071	(1.4989)
DM	2.6028	(2.6145)
FFr	8.8408	(8.8729)
SFr	2.1785	(2.1981)
Y	162.224	(163.382)
£ Index	82.3	(82.5)

■ DOLLAR

New York lunchtime:		
DM	1.7324	
FFr	5.8855	
SFr	1.45205	
Y	108.1	
London:		
DM	1.727	(1.7444)
FFr	5.8661	(5.9198)
SFr	1.4455	(1.4665)
Y	107.84	(109.005)
$ Index	66.6	(67.1)

Tokyo close Y 108.2

Austria	Sch32	Greece	Dr350	Lux	LFr65	Qatar	QR13.00
Bahrain	Din1.250	Hong Kong	HK$16	Malta	Lm0.60	S.Arabia	SR11
Belgium	BFr65	Hungary	Ft185	Morocco	MDh15	Singapore	S$4.30
Bulgaria	Lw25.00	Iceland	IKr215	Neth	Fl 4.00	Slovak Rp	KSL50
Cyprus	C£1.10	India	Rs60	Nigeria	Naira60	South Africa	R12.00
Czech Rp	CK50	Israel	Shk8.50	Norway	NKr17.00	Spain	Pta225
Denmark	DKr16	Italy	L3000	Oman	OR1.50	Sweden	SKr16
Egypt	E£5.00	Japan	Y500	Pakistan	Rs40	Switz	SFr3.30
Finland	FM14	Jordan	JD1.50	Philippines	Peso50	Syria	S£50.00
France	FFr9.00	Kuwait	Fils625	Poland	Zl 32,000	Tunisia	Din1.500
Germany	DM3.50	Lebanon	US$1.50	Portugal	Esc225	Turkey	L10000
						UAE	Dh12.00

Independent report says European carriers must prepare for privatisation

Call for end to airlines' state aid

By Lionel Barber in Brussels, Rachel Johnson in London and John Ridding in Paris

State-owned airlines in Europe can no longer expect to be drip-fed on subsidies and must prepare for privatisation, according to a report sponsored by the European Commission.

The report, by an independent committee of "wise men" representing the European airline industry, rejected any rolling back of the limited deregulation already underway.

But the committee softened its deregulatory message by offering EU member states the chance to give a "one time, last time" dose of state aid to support restructuring in an industry that lost $700m in 1992.

Mr Hermann De Croo, a former Belgian transport minister and the committee chairman, came out in favour of privatisation as the "ultimate solution" but suggested that one last shot of state aid might be needed to put the industry back on its feet. A sick patient could not be expected to come off a drip immediately before starting to walk again, he said.

Those seeking to extend the "open skies" régime welcomed the report, which was published yesterday, even though the committee had stopped short of recommending an outright ban on state aid.

Mr John MacGregor, the UK transport secretary, said the recommendations on extending liberalisation and generally eliminating state aid were a "ringing endorsement" of British competition policy.

The UK aviation industry – which, unlike some of its competitors, has to compete without state subsidy – was predictably more enthusiastic than that of Europe's troubled state carriers.

British Airways – which only last month called on the European Commission to force Air France to repay a FFr1.5bn capital injection from the French government – called the report a "victory for the consumer and for competition". British Midland called it a "great step forward."

State-owned Air France and Alitalia were not ready to offer instant comment, but both are thought unlikely to welcome its findings. Air France has resisted rapid deregulation of the European airline industry, and is seeking a further FFr5bn state aid as it undergoes restructuring.

Belgium's Sabena said the document was "interesting" because it offered so many concrete recommendations within a global approach.

Because the panel's recommendations are non-binding, much will depend on political will to implement its findings. This will be tested when state-owned airlines request additional state aid to finance restructuring.

The Commission has already opened infringement proceedings against Air France, which last year faced French government opposition to its own efforts to shed labour and stem heavy losses. Other possible state aid applicants include Alitalia, Olympic Airways of Greece, Sabena, and Iberia of Spain.

Mr De Croo said in Brussels yesterday that the panel had sought to strike a balance in the debate between liberalisation and protection, but he added: "There is no solution to save this sector by going back to the past."

The committee also recommended that, within the next six months, governments should set a deadline of June 1995 to establish a common external aviation policy under the treaty of Rome, to be phased in over several years. It also called for the creation of a new utility to manage a single air-traffic management system in Europe.

European airlines employ about 400,000 people, while European airports employ a further 500,000. But the sector combines strong growth with poor profitability. State-controlled flag carriers are steadily losing market share to independents, the report says.

■ 'Wise men' of the air see turbulence ahead Page 2
■ Editorial Comment Page 11
■ Lex Page 12

Fed chief warns of risks posed by derivatives

By John Gapper, Banking Editor in London

Central banks must work together to reduce the risk of financial systems collapsing as result of upsets in the trading of financial derivatives, Mr Alan Greenspan, Federal Reserve chairman, warned last night.

Mr Greenspan argued that central banks should retain responsibility for banking supervision as well as monetary policy and said derivatives trading by international banks posed challenges to the stability of financial systems.

Derivatives – financial contracts whose value depends on underlying instruments such as currency exchange or interest rates – had helped to heighten the interdependence of financial markets and market participants.

"Disturbances in one country or sector are rapidly transmitted throughout the world economy," he said. "They pose challenges to central banks' . . . responsibility for the stability of the world's interdependent financial systems."

Mr Greenspan, addressing the Bankers Club in London, said co-ordination among central banks had become essential because trouble in financial markets was increasingly likely to affect international banking.

His remarks are the latest expression of concern by an international bank supervisor on the potential risks created by derivatives, which are predominantly used by companies and financial institutions to hedge risks.

The Fed chairman emphasised that the growth of derivatives reinforced the mandate of central banks "whether written in law or not" to protect the integrity of a financial system, as well as overseeing monetary policy and payment systems.

Last year Mr Greenspan attacked US Treasury plans to consolidate banking supervision, at present spread among four agencies, including the Fed, into a single Federal Banking Commission.

The Fed would retain its responsibilities for monetary policy and the payments system under the proposals.

He said yesterday, that solving financial crises often depended on central banks' having a dual role, whether officially or not.

Mr Greenspan said that the Fed and other central banks have worked with banks "to seek in advance improvements that could mitigate the potential for systemic disruption without destroying the benefits of these useful instruments".

Media focus: Sinn Féin president Gerry Adams at an informal press conference in New York. Mr Adams thanked US president Bill Clinton for allowing him into the country. Report, Page 12

Associated Press

IMF warns of difficulties over future Russian loans

By George Graham in Washington

The International Monetary Fund yesterday promised that its mission to Moscow would be open-minded in economic policy talks with the government, but warned that it would not be easy to agree to further loans.

Mr Michel Camdessus, IMF managing director, said the mission, which began work yesterday and is expected to remain in Moscow for two to three weeks, would listen to the plans of Mr Victor Chernomyrdin's government, and would "try to be helpful".

However, the IMF's willingness to release the next $1.5bn loan for which Russia could qualify under the fund's special facility for former Communist countries was "not a foregone conclusion," he said.

From what the IMF had heard so far, he said, the new government appeared to be diverging from the reform path agreed with the previous one.

Mr Camdessus warned that efforts to reduce inflation and stabilise the rouble would not succeed for long without strong monetary and budget policies, but he refused to dismiss out of hand Mr Chernomyrdin's suggestion that the Russian government would try non-monetary ways of controlling inflation.

"If it means they will be stronger in bringing down the budget deficit, this is music to our ears."

But IMF officials said they were concerned that the new government appeared to be ready to let its inflation target slip back to 18 per cent a month by the end of 1994, compared with a rate of 12 per cent in December.

They acknowledged, however, that the latter rate had been achieved in part by limiting the government's borrowing from the central bank by not paying its bills.

Some of the accumulated arrears would have to be paid in the first quarter, probably bringing inflation back to a monthly rate of nearly 20 per cent, said Mr Ernesto Hernandez-Cata, head of the IMF's Russia department.

Mr Camdessus fiercely defended the fund against charges of being too insensitive in its dealings with Russia or too strict in the conditions it imposed. "We are the scapegoat," he complained, insisting that if the international community wanted to give unconditional aid to Russia, the money should come from bilateral grants.

He acknowledged that the IMF had lent only a total of $2.5bn to Russia so far, rather than the $14bn announced in separate packages by the Group of Seven leading industrial countries. "We were unable to disburse more because we must respect our rules," he said.

Quentin Peel adds from Bonn: Germany is pressing for Russia to be included in a political "Group of Eight" to complement the annual G7 summit, officials in Bonn confirmed yesterday.

The move would mean senior Russian officials being actively involved in the preparations for the next summit, to be held in Naples, but only on political rather than economic issues.

This way Russian chaos lies, Page 11

EU steel cuts plan verges on collapse

By Ian Rodger in Davos, Ariane Genillard in Bonn and Robert Graham in Rome

The European Commission's steel restructuring plan faced the prospect of collapse amid clear indications from private steelmakers that they are not prepared to offer much-needed capacity cuts, Mr Karel Van Miert, the EU competition commissioner, said yesterday.

Referring to the unwillingness of private steelmakers to cut capacity, Mr Van Miert conceded: "We cannot deliver the goods." .

Speaking at the World Economic Forum in Davos, Switzerland, Mr Van Miert said: "I am very pessimistic about it." He added that the absence of a single offer so far had forced "a reassessment in the commission."

The commission plan requires cuts of 30m tonnes, about a quarter of EU steel output, in order to restore prices to economic levels. Under the plan, some 25m tonnes of capacity would be eliminated by private sector producers, 10.5m of them in voluntary cuts to be financed by the EU.

Commission officials said last Friday that the European Commission and steelmakers would meet in Brussels to discuss capacity cuts on February 15. The deadline for proposals is March 21.

Eurofer, the European steelmakers' lobby group, is scheduled to meet on February 12 to discuss a common strategy.

Mr Van Miert said the commission had no intention of setting quotas.

Private sector producers have complained that they are being asked to sacrifice more than state-owned producers. The most vocal complaints coming from the UK, Denmark and Germany.

The German steel industry has indicated that no capacity cuts will be presented at the Brussels meeting.

Germany's private steelmakers argue that the deal reached in December between the Commission and state-owned steel companies is grossly unfair to the private sector.

The agreement offers DM11.5bn of subsidies to back 5m tonnes of capacity cuts at state-owned steel companies in Italy, Spain, Portu-

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'Wise men' of the air see turbulence on the horizon

Their report calls for further airline restructuring, writes **Lionel Barber**

Governments should stop interfering in the airline industry and let management take the required steps to restore profitability, according to the "committee of wise men" report published yesterday.

The 56-page report on the future of the European airline industry was ordered by the European Commission. It calls for further liberalisation and "ultimate privatisation" as a solution to the industry's woes. "There is no way back to previous era of national protectionism," it states.

But the report, entitled "Expanding Horizons", softens its deregulatory message on the question of state aid. It argues that state-owned carriers should be allowed one last dip into public coffers to help their restructuring efforts.

Mr Abel Matutes, the outgoing Spanish transport commissioner, appointed the 12-member committee six months ago. Members included Mr Hermann De Croo, a former Belgian transport minister and panel chairman; Mr Jürgen Weber, chairman of Lufthansa; Mr Pieter Bouw, chairman of KLM; Mr René Valladon, representative of the trade unions, and the Aga Khan, the billionaire businessman.

Although the report's recommendations are non-binding, reaction in Brussels suggested that the committee's calls for liberalisation were bolder than expected. Even Mr Matutes, who otherwise welcomed the report, distanced himself yesterday from its decision to lean towards privatisation.

European airlines employ about 400,000 people, while European airports employ a further 500,000. But the airline sector combines strong growth with poor profitability. State-controlled flag carriers are steadily losing market share to independents, particularly charters, the report says.

Moreover, European airlines' operating costs are about 48 per cent higher than those of their US counterparts, measured per available tonne kilometre (ATK). Total labour costs per ATK are nearly 37 per cent higher, leading to much lower productivity than in the US, according to the study.

These structural weaknesses, combined with tough competition inside the European market, have led to heavy losses since 1990. The report warns that cash-flow generated by European carriers is becoming increasingly inadequate, with debt-equity ratio possibly reaching 80/20 by 1995.

Yet "Expanding Horizons" makes clear that there should be no question of halting the deregulatory tide. It rejects rolling back the limited liberalisation agreed under the so-called Third Package, in effect since January 1, 1993.

On overcapacity, the panel recommends that airlines themselves must tackle the problem.

But the Treaty of Rome's competition rules "should not unduly inhibit airlines' efforts to solve their problems by means of voluntary agreements".

On pricing, it says the European Commission should as a rule refrain from intervention: "In present difficult circumstances, the need for increased revenues should be recognised." Turning to back-door public subsidies, capital injections and other forms of state aid, the panel says that these have severely contributed to overcapacity and uneconomic pricing.

"Significantly, all the cases submitted during the last three years have involved carriers that are state-owned.

"This in itself is a potentially significant distortion of competition between state-owned and privately-owned airlines."

The committee argues that privatisation is the implicit answer to the privileged treatment of state carriers; but it agrees that privatisation "normally needs restructuring". It calls, therefore, for a transitional period in which member states could have a "one time, last time" opportunity to put carriers on a normal commercial footing. Other conditions for state aid include:

- The submission of a restructuring plan leading to economic and commercial viability within a specified time frame, along with "significant interest" from the private sector;
- A recommendation for restructuring plans to be scrutinised by independent professionals working with the European Commission;
- An undertaking on the part of the governments to refrain from interference in commercial decision-making of carriers, and a ban on airlines using public money to buy or take over another air-carrier or extend its own capacity beyond normal development.

The committee also recommends the creation of a "single airspace for Europe" and the establishment of a separate utility responsible for monitoring a single air-traffic management system. This would end the current system of European airspace and national air-traffic controls.

In a concession to the aviation industry, the panel argues that value-added tax on air transport should be ended and that proposals for a carbon energy tax should be dropped.

It also recommends that "member states and the EU should ensure the competitiveness of the European aeronautical industry by providing the same level of support available to the US aeronautical industry".

UN to review military role in Bosnia

By Michael Littlejohns at the UN, New York

The military role of the United Nations in Bosnia will have to be reassessed "in the next few weeks" because of the threat by several countries – including Britain – to pull out their troops, Mr Boutros Boutros Ghali, the secretary general, said yesterday.

At his first press conference in New York in many months, Mr Boutros Ghali hinted at a possible need for the troops to use force to prevent the conflict from spreading beyond the borders of former Yugoslavia. However, he repeatedly invoked the Security Council, stressing that it, and not he, must decide how to deal with the crisis.

Mr Boutros Ghali did, however, declare his firm opposition to waiving the arms embargo for Bosnia, as favoured by the US. That would bring a flood of arms when the important thing was to contain "the dispute", he said.

He also emphasised that, despite many setbacks, negotiations for a political settlement needed to be intensified. Mr Thorvald Stoltenberg, the UN negotiator who made a personal report to the Security Council on Monday, had already gone to Moscow for talks on the situation.

Highlighting his difficulties in maintaining the UN force, Mr Boutros Ghali noted that as long ago as last May the council authorised the addition of 8,000 troops for Bosnia. But he had been able so far to find only 1,000.

While acknowledging that UN peacekeeping was in crisis, he was confident that this would be overcome because the UN offered the only solution as long as the US was unwilling to "play the role of policeman of the world".

Meanwhile, in Geneva, the UN refugee agency yesterday said it was making a strong protest to Serbia and Montenegro about the forced mobilisation of registered refugees from Bosnia or Croatia into the Bosnian Serb army.

The UN High Commissioner for Refugees said hundreds of male refugees were being pressed into service in the Bosnian Serb army.

OECD criticises Belgian policies

By David Marsh European Editor

Belgium's economy needs a "fundamental overhaul" to improve growth prospects and resolve uncertainties stemming from its high fiscal deficit, the Organisation for Economic Co-operation and Development said yesterday.

In a bleak assessment of the country's prospects, the Paris-based organisation of industrial countries called on Belgium to give top priority to redressing public finances.

Unless this was achieved, above all through further cuts in social spending and greater flexibility on the labour market, the OECD hinted that the Belgian franc could come under pressure on the foreign exchanges.

The OECD said Belgium's fiscal position was suffering from a "snowball effect", with high interest rates causing a self-sustaining rise in public debt as a proportion of gross domestic product. The OECD gave cautious support to the Belgian authorities' policy of maintaining a firm link between the franc and the D-Mark following the widening of ERM fluctuation bands last August.

A formal Belgian franc devaluation would not solve the country's problems, as it would lead to higher inflation, little gain in competitiveness, and higher interest rate differentials compared with other ERM countries. However, the OECD warned that "sentiment on the foreign exchange markets can change abruptly". Belgium faced the risk that "a policy of high interest rates to defend the currency [could become] ineffective".

The OECD repeated its December forecast that GDP will rise 1 per cent in 1994 after shrinking 1¼ per cent in 1993 – more than the European average. The economy of neighbouring Luxembourg, which has currency parity with Belgium, was seen faring better.

Genial Kohl strikes chord with Clinton

Jurek Martin reflects on the chancellor's highly successful recent visit to Washington

All smiles at the White House as Chancellor Kohl (left) and President Clinton take time off for the cameras Reuter

The word from London, according to US correspondents dutifully reporting on British media and political reactions, is that the "special relationship" is in poor health, its latest illness brought on by the US decision to grant a 48-hour visa to Gerry Adams of Sinn Féin.

British *angst* may be understandable, if exaggerated. But it also may be compounded by the word from Washington, that another US relationship – with Germany – appears to be blooming. That, at least, is the reasonable interpretation of Chancellor Helmut Kohl's genial performance here over the past two days.

Mr Kohl's mission may well have been designed to play to his domestic audience about to enter a ferocious election year cycle. He seemed to have decided that a young and vigorous President Bill Clinton, fresh from an impressive European tour and now with an July invitation to Germany, is company worth keeping.

As if to give the lie to even the vague suggestion that he was offended when Mr Clinton compared him to a sumo wrestler last month, the chancellor hauled the hefty president off to his favourite Washington restaurant – a trattoria totally unfamiliar with the trendy new wave of light and healthy cuisine (the Clinton appetite, according to the proud restaurateur, was the larger).

More substantively, all Mr Kohl's public comments suggested no daylight between US and German positions on any number of big issues, while tricky bilateral subjects, like aviation and interest rates, were skipped over lightly.

On the Balkans, the chancellor endorsed the president's reluctance to commit ground troops. "After the experience of world war two," he said, "I can only warn that intervention with ground troops won't solve anything but will only create a more tragic situation."

Like Mr Clinton, he argued it would be wrong to force the Bosnian government to the negotiating table, as France has been demanding. "Violence did not originate in the Moslem camp," he said, using words virtually identical to those of the US administration.

He declined to get involved in the Franco-US dispute. "I've said time and again that Bonn should not be involved as an interpreter. The people we are talking about are grown-ups and they don't need an interpreter." He had no problems with the use of air support to protect peacekeeping and humanitarian operations, as agreed by Nato last month.

But he was prepared to exert pressure on Croatia, should it send its forces into Bosnia in strength. "I would disapprove very strongly and I would find a way of putting my disapproval into practice," a clear hint that that might embrace the sort of economic sanctions the US has threatened.

He endorsed Mr Clinton's determination to further Russian reform and said Russia would be invited to the next G7 finance ministerial meeting. But, he went on, "real progress can only be made by Russia itself", with western aid best directed at Russian self-help.

He denied, as does Mr Clinton, that Russia had acquired a veto power over Nato's membership. The Partnership for Peace approach made current sense, though it would be unwise to duck for too long critical decisions on European economic and military integration, a very Clintonian theme. He hinted that the Czech Republic might be first in east European to pass the EU and Nato membership posts.

And, if all this solidarity with the US were not enough, he inserted a couple of sly digs at Britain, too. On aid to the former eastern bloc, he smiled and contrasted the German contribution, equivalent to $485 per German citizen, to the British (a mere $10).

The chancellor also went out of his way to praise former President George Bush and James Baker, his secretary of state, both awarded German medals on Sunday night, for their unstinting backing of German unification. "There were not so many supporters as you might imagine," he said, presumably a reference to Lady Thatcher's now well-known opposition.

Clearly Mr John Major, the British prime minister due here at the end of this month, has a tough act to follow. After all, he can hardly invite the president to one of Washington's Irish bars.

- The US Senate yesterday called on Germany to take a full role in international peacekeeping, Reuter reports. By a 96-1 vote, it approved a non-binding amendment to a State Department bill aimed at influencing a German internal debate on its military role in the world.

Romania reverses economic decline

By Virginia Marsh in Bucharest

Higher output from privatised farms and new enterprises helped reverse Romania's steep five-year economic decline last year. But the slow pace of reform provides a shaky basis for sustained recovery and rising inflation clouds the future, according to figures released yesterday by the national statistics commission.

Consumer price inflation jumped to 296 per cent last year from 199 per cent in 1992, more than four times higher than any other central European country outside former Yugoslavia. The commission blamed high inflation on inefficient state monopolies, price liberalisation and the continuing devaluation of the Leu, the national currency. The Leu closed at an all-time low of 1,480 to the dollar yesterday, down from 460 in January 1993.

Overall GDP grew by 1 per cent, to the equivalent of $1,089 (£726) per head, compared with a drop of 15 per cent in 1992. *Industrial production rose by 1.3 per cent, but stocks of* unsold goods remained equivalent to around one month's production.

Agriculture and private sector growth were the main reasons for the increase in GDP, the commission said. Agricultural production rose by 12.4 per cent while the private sector increased its share of GDP to 30 per cent, up from 26 per cent in 1992. It accounted for around 80 per cent of agricultural output and more than half of retail sales and services.

The commission said high inflation meant that real wages dropped by 15 per cent to around half of 1989 levels.

The government's failure to halt the decline in living standards and speed up reform has sparked off a growing wave of popular discontent around the country in recent weeks and increased pressure on the ruling Party of Social Democracy in Romania (PSDR) to form a broader governing coalition.

Trade unions confirmed yesterday they would go ahead with a one-day strike on Friday, following last week's one-hour strike in which more than 1m workers participated.

They say they will launch a general strike later this month if the government does not agree to accelerate reform and establish a minimum wage at 60 per cent of the average wage. They say they will not support the governing coalition while the PSDR is negotiating with former communists and hardline nationalist parties.

In rural areas, farmers have stepped up their demands for faster implementation of the land law. Fewer than a fifth of farmers have received full titles to the property returned to them under the 1991 law.

Turkish interbank rate at 600% as turmoil persists

By John Murray Brown in Istanbul

Turkey's interbank rate, the rate at which banks lend to each other, reached 600 per cent yesterday as turmoil continued in the money markets.

Government initiatives have failed to halt the turbulence, which began after the devaluation of the lira last week and the resignation on Monday of the central bank governor, Mr Bülent Gultekin.

Several big retail banks increased interest rates yesterday, with Akbank, the largest privately-owned bank raising rates by 2 percentage points to 90 per cent on one-year deposits. Lending rates are between 120 and 150 per cent.

The crisis has forced the government back to the domestic debt markets, after limiting its short-term borrowing to reduce budget costs during 1993. The treasury has now announced a series of short-term bill issues aimed at absorbing the liquidity largely created by its own growing demand for short-term advances from the central bank. Those short-term advances were cited by Mr Gultekin as the main reason behind the pressure on the lira, and the subsequent 12 per cent devaluation.

The governor had reportedly sought a 30 per cent devaluation.

The government has also unveiled a novel index-linked government debt instrument, which will be half repayable in dollars after three months at a rate of 20,500 to the lira. The dollar closed yesterday at 17,200.

IG Metall raises compromise hope

By Quentin Peel in Bonn

Leaders of Germany's 3.4m-strong IG Metall engineering workers' union yesterday indicated a readiness to compromise in their current pay dispute, as more than 140,000 workers downed tools in brief token strikes.

Mr Walter Riester, deputy leader of the union, gave a clear hint that he would consider flexible deals for individual enterprises, and drop the current union demand for a 5.5 per cent pay rise, in exchange for measures to ensure greater job security.

He still insisted that there must be at least a nominal wage increase, as against the outright pay freeze sought by Gesamtmetall, the engineering employers' federation.

He was speaking as workers across the country downed tools for up to three hours in support of the pay claim, more than double the 60,000 who took part on Monday. However, few observers believe the union would endanger jobs with a full-scale strike.

Italians watch their former rulers 'executed' on TV

Prosecutors act as the avengers in this armchair revolution, reports **Robert Graham**

Televised recordings of corruption trials have become a new genre of popular entertainment in Italy. On the small screen, the prosecutors have become the surrogate executioners in an armchair revolution. From the comfort of home, Italians are watching the humiliation of those who until recently ruled their lives.

There is no better case in point than the trial in Milan of Mr Sergio Cusani, a financial consultant.

Strictly speaking the trial is to decide whether Mr Cusani is guilty of corruption and of helping to falsify the accounts of the Ferruzzi-Montedison group by concealing illicit contributions to political parties. But since it started in late November, it has broadened into an indictment of a political system that involved a cynical exchange of favours with the world of business.

The burly figure of Mr Antonio Di Pietro, Italy's best known anti-corruption magistrate, has acquired new fame in the black and gold tassled robes of the public prosecutor. Mixing humour and homey metaphors with a sharp temper, he has prodded a string of witnesses into revealing the extraordinary degree of corruption and arrogance that reigned in Italy under the old political parties.

Take the case of witness Lorenzo Panzavolta, former head of Calzestruzzi, Ferruzzi's cement/construction arm, who has already admitted to giving illicit funds to all the big political parties to win contracts.

Mr Panzavolta: "Cusani brought me a document case, the type airline pilots have."

Mr Di Pietro: "What was inside?"

"I didn't look."

Mr Di Pietro throws up his hands. "No? How's it possible one doesn't know when there's four billion [lire (£1.6m)] inside!"

"I didn't open it."

"I didn't ask whether you had opened the case – I asked what was inside. It wasn't as if there were chocolates!"

"There was money."

The transfers of huge sums of money are talked about with breathtaking casualness and imprecision. Mr Carlo Sama, the former managing director of Ferruzzi-Montedison who married into the Ferruzzi family, was asked how much the group had given to Bettino Craxi, the former Socialist leader, for the 1992 general elections.

"If memory serves me, Craxi got five to seven billion. You see for Enimont [the 1990 restructuring of the chemicals industry] it was decided to give Craxi seventy billion. But as this amount was all in treasury bills, these had to be cashed. The IOR [the Vatican bank] was contacted... and I know the operation cost quite a lot.

Mr Di Pietro: "How much?"

Mr Sama: "In the range of eight to ten billion."

Mr Di Pietro: "This was a bank fee?... Couldn't you have gone to another bank?"

Mr Sama: "I don't know. I didn't follow the operation."

Mr Di Pietro: "Let's get this clear. In 1992 you gave Craxi more, why?"

Mr Sama: "Because in 1991 he received less than agreed [because of the IOR cashing operation]."

Mr Di Pietro: "Was this your decision or was it [the extra money] requested?"

Mr Sama: "I don't know. Cusani said it was better to make it up."

Mr Craxi, when called as a witness, denied ever receiving such money. However, the former Socialist leader admitted he knew about the illicit financing of political parties. "The whole system was corrupt.... Everyone knew the parties' balance sheets presented to parliament each year were a sham."

Mr Severino Citaristi, Christian Democrat treasurer from 1986 until forced to resign earlier this year, admitted normal contributions could not possibly cover the annual L70bn needed by the Christian Democrats (L80bn in an election year). He claimed his party boss, Mr Arnaldo Forlani, knew what was going on, and on occasions put him in touch with "contributors". In one of the most implausible appearances in court, Mr Forlani said he knew nothing about the party's finances.

Unlike the majority of those involved in the corruption scandals, Mr Cusani refused to plea bargain when arrested last year and opted for an early trial.

Mr Di Pietro has gradually built up a picture of Mr Cusani being a key adviser to the Ferruzzi family as well as being intimately connected both to Mr Craxi and to the Socialist party's finances. Last week, Mr Di Pietro secured the surrender of Mr Mauro Giallombardo, a former private secretary to Mr Craxi, and an official of the Socialist International, who had been wanted on an international warrant for nearly a year.

This brings the case closer to tracing the fate of the L150bn bribe paid in the Enimont affair, a large part of which was allegedly handled by Mr Cusani. Mr Giallombardo admitted he had allowed Mr Cusani to transfer more than L3bn to one of his own accounts at a Luxembourg bank but denied the money was for the Socialists. It was a for an Arab called Mohammed.

Mr Di Pietro: "Mohammed ... are you sure?"

Mr Giallombardo: "I can't remember his first name. If I'm not mistaken he was Kuwaiti or Iraqi from Baghdad: he had two or three first names, all very complicated."

Mr Giallombardo then explained, amid much laughter in court, that L20bn in transfers to his Luxembourg account were for Mohammed.

The Milan magistrates have already had the co-operation of the Luxembourg authorities to inspect this and other accounts relating to Mr Giallombardo and in the name of Mr Cusani's wife.

Tracing the flows will determine whether the money syphoned out of the system through bribes and illicit political contributions went to the parties and whether a large chunk stuck to the hands of middlemen or was diverted for personal enrichment.

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone ++49 69 156 850, Fax ++49 69 5964481, Telex 416193. Represented by Edward Hugo, Managing Director. Printer: DVM Druck-Vertrieb und Marketing GmbH, Admiral-Rosendahl-Strasse 3a, 63263 Neu-Isenburg (owned by Hürriyet International).
Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, UK. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany Advertising) Ltd, London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.

FRANCE
Publishing Director: J. Rolley, 168 Rue de Rivoli, F-75044 Paris Cedex 01. Telephone (01) 4297-0621, Fax (01) 4297-0629. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

DENMARK
Financial Times (Scandinavia) Ltd, Vimmelskaftet 42A, DK-1161 CopenhagenK, Telephone 33 13 44 41, Fax 33 93 53 35.

Fed vice-chairman Mullins quits

Chance for Clinton to boost influence on monetary policy

By Michael Prowse in Washington

Mr David Mullins, vice-chairman of the US Federal Reserve, yesterday announced his resignation with effect from February 14.

His departure gives President Bill Clinton an opportunity to name a second governor to the Fed's seven-member board and so to wield considerable indirect influence on monetary policy.

Last month the White House said Mr George Perry, an economist at the Brookings Institution, a Washington think-tank, was likely to fill the vacancy created by the departure of Mr Wayne Angell, a governor appointed by former President Reagan. Mr Clinton, however, has not yet formally nominated Mr Perry.

The vacancies arise at a sensitive time. On Monday Mr Alan Greenspan, the Fed chairman, indicated that the Fed was in the process of deciding when to begin raising short-term interest rates, which have stood at 3 per cent since September 1992. Mr Clinton has said he sees no reason for higher rates because inflation is not rising.

Mr Mullins' departure could lead to Mr Perry's nomination as Fed vice- chairman. Mr Clinton could then fill the vacant governorship with one of the candidates considered for Mr Perry's position such as Mr Peter Kenen, an economist at Princeton University.

Alternatively, Mr Clinton could opt to nominate a heavyweight administration economist, such as Mr Alan Blinder, deputy to Ms Laura Tyson at the Council of Economic Advisers, as Fed vice-chairman, with Mr Perry filling the vacant governorship as originally planned.


Alan Greenspan testifying before the Joint Economy Committee on Monday. He indicated that the Fed was thinking about raising short-term interest rates AP

Mr Mullins is leaving to become a partner in Long-Term Capital Management, a recently formed investment management firm based in Connecticut.

Mr Mullins has been a governor since May 1990 and vice-chairman since July 1991.

Before this he served as an assistant Treasury secretary in the Bush administration, where he helped devise the federal bail-out of the savings and loan industry.

US purchasing index at highest for five years

By Michael Prowse

The US Purchasing Managers' Index rose to its highest level in more than five years last month, boosted by a rise in new orders and providing the first clear sign that the robust economic growth of the fourth quarter carried over into the new year.

Separately the Commerce Department reported a 2.6 per cent increase in construction spending between November and December, further evidence of the positive impact of falls in long-term interest rates last year.

The purchasing index – a guide to the health of manufacturing industry – registered its fifth consecutive monthly increase, rising from 57.1 per cent to 57.7 per cent. This was stronger than expected, as Wall Street analysts feared the arctic weather last month might cause a temporary fall in the index.

A sub-index measuring new orders rose to 66.2 per cent, against 65.0 per cent in December, the highest reading since 1983.

The strength of new orders more than offset a slight decline in an index measuring production which was affected by bad weather.

Analysts were disconcerted by a sharp rise in a sub-index measuring inflationary pressures, which rose to 59.8 per cent against 51.3 per cent in December, the highest level since November 1990.

Mr Robert Bretz, for purchasing managers, said the very low level of inventories and the strength of new orders indicated the economic expansion would continue.

Construction spending rose 7.9 per cent during 1993 as a whole. The very cold weather is likely to cause a dip in construction this month.

US to sell Skyhawks to Buenos Aires

By John Barham in Buenos Aires

Washington has finally agreed to sell Argentina 36 Skyhawk fighter bombers to replace aircraft shot down in the 1982 Falklands conflict, despite British opposition.

London opposed transfer of the aircraft, claiming they represented a threat to the Falklands and would necessitate an expensive upgrading of the islands' air defences.

However, in a statement Washington said the sale was "a demonstration of the excellent ties" with Argentina and its armed forces.

The government of President Carlos Menem has lobbied hard for the aircraft and made the issue a test of its strongly pro-US foreign policy. Mr Guido di Tella, foreign minister, said the sale was a clear sign of US confidence in Argentina.

Argentina's claim to the Falklands is a highly emotional domestic issue. Mr Menem will probably present approval of the Skyhawk sale as a great victory over the British. This should further boost his political prestige ahead of the April 10 elections for a constituent assembly that will rewrite the constitution and let him stand for a second term in 1995.

However, defence analysts play down the Skyhawks' significance. They are 1970s-vintage and are similar to those flown by the air forces of Singapore and New Zealand. They are not superior to the electronics and weapons systems used on more advanced British aircraft based in the Falklands.

Canadians to launch big social security review

By Bernard Simon in Toronto

Canada's new Liberal government has launched a review of the social security system with a view to trimming costs, targeting programmes more effectively to people in real need and bringing more people into the workforce.

Mr Lloyd Axworthy, human resources minister, told parliament he expected to introduce legislation by next Christmas to reform programmes such as unemployment insurance, social welfare and government-funded training schemes.

In addition, the government plans to follow the example of several European countries by examining innovative job-creation proposals such as work-sharing through a shortened work week.

"The objective is to find out what really works so people can work," Mr Axworthy says.

Canada has one of the world's most generous social-safety systems, ranging from unemployment insurance benefits of up to C$445 (£227) a week, to taxpayer-funded, universal healthcare.

But spiralling costs have intensified pressure for reforms. Social security, health care and education now make up about 60 per cent of federal and provincial spending. In particular, existing programmes are criticised for their bias towards "hand-outs" rather than incentives to coax able-bodied welfare recipients back into the workforce.

Mr Axworthy said the government would draw up its proposals after the widest possible consultations, including a series of public conferences, a parliamentary committee, and negotiations with the 10 provinces.

Several of the programmes are administered by the provinces, with financial contributions from Ottawa. These transfer payments have become a growing point of friction, as the federal government has sought to lighten its burden while maintaining uniform standards across the country.

Several provinces have already begun to overhaul their own social-assistance schemes. Alberta has taken the route of across-the-board spending cuts.

Newfoundland, with a 20 per cent unemployment rate, plans to replace welfare payments with a guaranteed minimum income which can be supplemented with earnings from a job.

New Brunswick has launched a "workfare" project which makes welfare payments conditional on participation in intensive training courses.

Consortia ponder Peru telecoms

By Sally Bowen in Lima

Five internationally-led consortia have expressed interest in the privatisation of Peru's telecommunications industry, the country's biggest sell-off so far. This month's sale will end 25 years of state control of the industry.

The possible bidders are:

- Southwestern Bell of the US with Korea Telecom and Daewoo of South Korea, Mexico's Condumex-Carso Group and Peru's Banco de Credito;
- GTE of the US with Portugal's Radio Marconi and Empresa Brasileira de Telecomunicacoes of Brazil;
- France Telecom and Stet of Italy, which both pre-qualified separately earlier but have now joined forces;
- AT&T of the US and a local partner;
- Telefonica de España, also with Peruvian participation.

The eventual purchaser will acquire the state's controlling share in Lima's telephone company, CPT, and 35 per cent of Entel, a state-owned monopoly operating national long-distance and international services. It is expected that the remaining Entel shares will be sold off later, possibly through the stock exchange.

The level of international interest reflects the industry's growth potential. Peru has the worst telephone provision in Latin America, with only 2.6 lines per 100 inhabitants. Purchase of the system – which comes with a five-year monopoly – will involve the new owner in installing 638,000 new lines in the capital and 559,000 in the rest of the country before the end of the century.

Additional conditions require every Peruvian town with more than 500 inhabitants to be provided with telephone communication, and waiting time for connection to be slashed from the present five years to three days by the year 2000. Investment of $1bn-$1.5bn (£670m-£1bn) is expected.

The five potential bidders which presented their documentation to the government-appointed privatisation committee on Monday will make financial offers on February 28.

President names Caracas cabinet

By Joseph Mann in Caracas

Mr Rafael Caldera, who takes over as Venezuela's president today, has appointed an experienced businessman and banker to the key post of finance minister and named a recognised corruption fighter to the nation's most important security post.

The new finance chief is Mr Julio Sosa Rodriguez, for many years a close friend and adviser to the president-elect. Mr Sosa is a petroleum engineer and successful entrepreneur who served as ambassador to Washington under the first Caldera administration of 1969-74.

Mr Caldera also signalled a strong commitment to fighting corruption and crime, viewed as leading problems by most Venezuelans, by naming Mr Ramon Escovar Salom, the prosecutor general, to the powerful Interior Ministry, which is second only to the presidency.

Mr Escovar, with a long history in public service, will be in charge of national security and crime control.

Mr Enzo del Bufalo, an economist and former newspaper editor, was named head of the government planning office and Mr Asdrubal Baptista, another economist, was named minister of state for national economic reform.

IMF talks on Brazilian loan

By Stephen Fidler, Latin America Editor

A team from the International Monetary Fund arrives in Brazil tomorrow to begin talks which the government hopes will lead to the granting of the standby loan it needs to go ahead with a bank debt restructuring agreement.

Mr Pedro Malan, the Brazilian central bank president, said in London yesterday he was still hopeful an IMF loan could be arranged, despite the defeat last week of a government plan to increase corporate income tax.

This was in part because there was increased optimism about the current constitutional revision process. The deadline for the revision may now be extended one month to April 15, which could allow important economic measures to be introduced.

This is also the deadline for the deal with international banks covering $52bn of debt. An IMF deal is needed for the accord. Although a two-thirds majority of banks could waive this condition, the US Treasury has said it will only issue a special series of US Treasury zero-coupon bonds to back the restructuring if an IMF agreement is in place. Mr Malan is expected in Washington today to see the IMF and to negotiate terms on these bonds.

New treasurer is able to announce a higher growth and lower inflation outlook, writes **Nikki Tait**

Australia gloom lifts faster than expected

Ralph Willis may have waited a political lifetime to get the Australian treasurer's job, but his timing cannot be faulted.

The Australian economy, which looked lacklustre for much of 1993, has sprung into life. Mr Willis made the happiest of public debuts yesterday, announcing a substantial upward revision to the government's numbers.

Australia's gross domestic product, said the treasurer, is now expected to grow at 3.5 per cent in the 1993-94 fiscal year. This contrasts with 2.75 per cent forecast in the budget in August. For 1994-95, the new estimate is 4 per cent, hinted at by Mr Paul Keating, the Australian prime minister, last week.

Inflation is estimated to be 2 per cent for this year, down from a forecast of 3.5 per cent. Meanwhile, the current account deficit should be about A$17bn (£8bn) this year, or about 4 per cent of GDP, compared with the earlier forecast of A$18bn. The December balance of payments data are published today, but if market predictions of a A$1.3bn deficit on the current account are correct, the slight widening from November's A$1.16bn figure will give no one cause for concern.

Even Australia's vexacious unemployment position looks a little brighter, says Mr Willis. While the forecast unemployment rate for June 1994 stays at 10.75 per cent – it was 10.7 per cent in December – the participation rate is adjusted upwards. This suggests that more people have been drawn into the work force and the actual number of jobs is growing at about 1.75 per cent, compared with a previous estimate of 0.75 per cent.

Economists, who generally predicted yesterday's revisions and think Mr Willis may have erred on the cautious side, have a variety of explanations.

First, it seems the weakness in Australia's private sector capital investment may not have been quite as pronounced as everyone feared. New private capital expenditure rose by 3 per cent in the September quarter, according to figures released earlier this month, and total capital expenditure for 1993-94 is now forecast to be A$25.7bn.

If this revised forecast is correct, it would suggest that investment has been flat this year. Previous official estimates suggested a fall of 5 to 6 per cent.

Second, consumer confidence is on the rise. Retail trade rose markedly in November, and retailers have talked of encouraging Christmas sales. A round of tax cuts, which affected pay packets in November, has plainly helped, as has greater stability in the jobs market.

But while the news is encouraging, the treasurer's life is not expected to be headache-free in the months ahead. In previous cycles, Australia has tended to face a balance of payments crisis once the good times rolled, causing the authorities to slam on the monetary brakes. Some economists think that weak – albeit improving – levels of business investment will cause the same difficulties.

"It's a real supply side problem," says BIS Sharpnel, the research and forecasting group. "Investment has been down so much that we've barely covered depreciation. There's 10 to 15 per cent spare capacity to be used, but after that, the bottlenecks could begin." Since Australian companies source a large proportion of their plant and equipment overseas, the pessimists warn of a current account "blow-out" by 1995-96.

Whether this happens or not, the strength of Australia's export performance becomes critical. The optimists hope that enough structural changes have taken place to make a difference. More of Australia's trade is now within Asia, where growth is widely expected to remain buoyant for the next few years.

Some economists, such as Mr Bill Shields, chief economist at Macquarie Bank, also argue that Australia's increasingly deregulated labour market will mean that pay increases – and therefore increases in consumer spending power – will be aligned to productivity advances. In short, if Australians, as consumers, demand more imports, they should, as workers, also be contributing to their companies' sturdiness.

The second problem is unemployment. A figure of 10.7 per cent is way above the average in the 24 industrial nations of the Organisation for Economic Co-operation and Development, and for a Labor party government, which is still close to the trade union movement, this is doubly damaging.

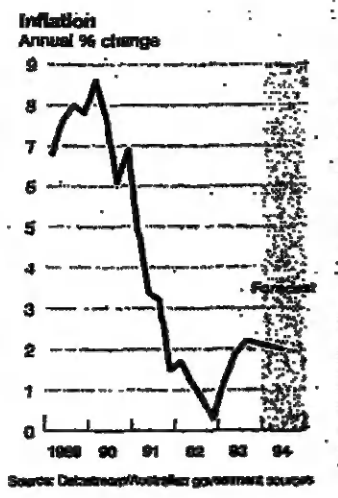
A prime ministerial committee looking into the issue has estimated that if economic growth averages 3.5 per cent for the rest of the decade, unemployment will still be 7 per cent by the year 2000. This would include about 200,000 "long-term" unemployed.

Last, and partly related to this, there is the question of whether there are any "hidden costs" down the road which may push the government's budget deficit reduction strategy off course. The need to act urgently on the unemployment issue, for political reasons, is one possible threat. Also lurking in the background is the as yet unquantified cost of the recent Aboriginal land rights legislation (which should see state and federal governments paying some compensation to the displaced indigenous population).

This leaves economists wondering whether Mr Willis may yet raise indirect taxes further or whether fellow ministers will be under pressure to find more revenue sources, from asset sales, for example.

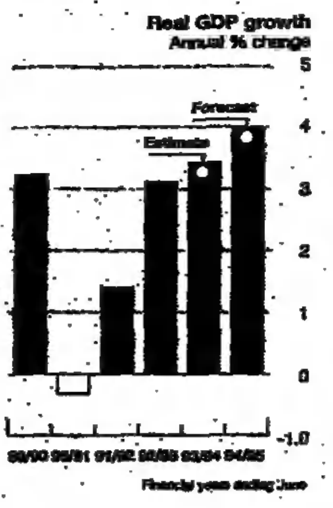
Still, even on this score, Mr Willis's luck seems to be holding – for the moment.

His predecessor, Mr John Dawkins, encountered scepticism when he outlined a four-year plan, detailing how the government planned to cut the deficit from an expected A$16bn in 1993-94 to A$5.8bn by 1996-97. Now the government is expected within the next week to announce a reduction in the likely deficit for the current year.



Source: Datastream/Australian government sources

Treasurer Ralph Willis
The happiest of public debuts



NZ economy grows by 4.2% in year

By Terry Hall in Wellington

New Zealand's economy grew 4.2 per cent in the year to September 30, pointing to one of the strongest recoveries the country has seen for many years.

The GDP figure is the highest recorded since March 1985, when rapid growth followed efforts by the National government to prime the economy in the hope of winning the 1984 election.

The latest growth figure, far higher than economists predicted, capped a week of exceptionally positive economic news which has helped fuel the share market to levels approaching those of 1987. Last Thursday, Statistics New Zealand reported a trade surplus of NZ$1.7bn (£646m) for the year to December 31, a NZ$536m improvement on the previous year.

The latest retail figures, released last week, showed a sharp recovery in this long-depressed sector, with an annual rise of 6.6 per cent, on a nominal basis, for November. Retailers say the trend was equally strong in December, with stores extremely busy in Christmas sales.

Statistics from manufacturers showed sales and other income rose 12 per cent in the year to December, with greatest growth recorded by metal industries, machinery, construction and primary foods.

Inflation continues at a low level, and the Reserve Bank is closely monitoring currency movements because of fears that the New Zealand dollar might get too strong and imperil the 0-2 per cent inflation target. The central bank worries that the country might see negative inflation, ie, inflation running below its zero target.

The positive news on the economy has led to substantial foreign investment in New Zealand and continued appreciation of the NZ dollar, especially against the US and most European currencies.

The New Zealand unit climbed to a 28-month high yesterday, ending a busy session at US$0.5714/21 after trading as high as US$0.5718 from a US$0.5672/79 start.

However, a 3 cent fall in the value against the Australian dollar has been welcomed by manufacturers, as most of New Zealand's manufactured goods are exported to Australia under the Closer Economic Relations pact.

The trade weighted index continues to hover around 57, the top of the Reserve Bank's "comfort zone". Observers believe the bank is unlikely to intervene soon, as the latest consumer price index showed a rise of 0.2 per cent in the December quarter, bringing annual inflation for the year to 1.4 per cent.

The positive economic statistics are bolstering business activity. The Institute of Economic Research, in its latest quarterly survey, showed business optimism was the highest in the 26 years since the survey of 1,250 business leaders began.

Businessmen were pleased with the steady drop in interest rates, now at their lowest since 1971 and forecast to fall further.

HK raises investment in airport project

By Simon Holberton
in Hong Kong

The Hong Kong government yesterday decided to invest an extra HK$15bn (£1.3bn) in the colony's planned new airport and connecting railway in an attempt to defuse the row with China over financing the project.

China is worried about the level of debt the project has to carry. The extra capital injection takes to HK$60bn the amount of cash the government is prepared to invest in the HK$85bn combined project. It means the debt needed to fund the project will fall to about HK$25bn from the HK$73bn first envisaged at the beginning of 1993.

It was unclear if China would accept the government's fourth and latest offer, which will be made formally later this week. Relations between Britain and China are at a low point because of their row over Hong Kong's political development.

Having seen the Hong Kong government's preparedness to put more money in the project, Beijing may hold out for more. It claimed only last week there had been a secret deal to restrict the project's debt to HK$5bn.

Mr Chris Patten, Hong Kong's governor, confirmed the new offer after a meeting of his executive council, his top advisory body. But he would not reveal any details except to say it would be put to the Chinese later this week.

The governor said he believed the new offer would "address all the expressed Chinese concerns". More money had become available for the project because of Hong Kong's healthy financial position, he added.

The airport and its railway are the centrepiece of a HK$160bn integrated transport and urban development project agreed with China in September 1991. Since that date the Hong Kong government and China have been in dispute about how to finance the project.

After the government gave its first financial plan to the Chinese in March 1992, Beijing accused it of breaking a 1991 agreement which said the Hong Kong government's debts could not exceed HK$5bn in 1997, the year of the Chinese takeover.

The Hong Kong government says that aspect of the agreement was never intended to apply to the borrowings of the corporations building the railway and airport.

Armed resistance to S Africa poll feared

By Patti Waldmeir
in Johannesburg

This is an ominous week for South Africa. Within days, the odds are that conservative Zulus or right-wing Afrikaners, or both, will begin a campaign to resist April's all-race elections, by force of arms.

In this land of political miracle, where apartheid was ended not through war but through negotiation, a last-minute deal is still possible. But if there is no deal, the right-wing Freedom Alliance, including the Zulu-based Inkatha Freedom party, the white right Afrikaner Volksfront and other right wing groups, will almost certainly commit itself to fight. Thus, South Africa will have taken an irrevocable step to a civil conflict which could prevent peace for years to come, and bedevil or destroy its nascent democracy.

South Africans react to the threat variously: some mutter about Bosnian-style civil wars; others dismiss it with disdain, certain a new government will crush the right. It is not easy to gauge the exact magnitude of the threat.

But certain facts are clear: "We don't have any soldiers," says a member of the KwaZulu civil service simply, highlighting the limited military options available to Chief Mangosuthu Buthelezi, head of the KwaZulu government (he denies he has any military intentions, but warns transparently of the "risk" of civil war).

The army was ordered to restore peace and community services in South Africa's strife-torn East Rand yesterday, replacing police units many accuse of fomenting unrest, Reuter reports from Pretoria. Mr Mac Maharaj, representing the multi-party Transitional Executive Council, said troops would help to clean streets, repair homes and restore amenities.

With no army, no heavy weapons such as armoured cars, artillery and aircraft, and with KwaZulu's fragmented geography (it is scattered piecemeal through Natal), it is hard to see Chief Buthelezi fighting an Angolan-style war, using secure bases and quasi-conventional warfare to control large areas.

Still, obtaining sophisticated smaller weapons would not be hard, given Natal's long coastline and the ease with which thousands of automatic weapons enter from neighbouring Mozambique.

Reports already indicate that missiles and rocket launchers have come in that way, and small arms are readily available: when supporters of Zulu King Goodwill Zwelithini opened fire in Pretoria last month, in a spontaneous show of militancy, hardly a man among the thousands present did not have a pistol or automatic weapon.

Lack of training would also hamper Inkatha: the 4,000-strong KwaZulu police force is loyal to Chief Buthelezi, but it is hard to know how many would leave the force to fight in the hills once the KwaZulu force is reintegrated into the South African police.

Though two well-placed sources have confirmed white right-wingers are training Zulu self-defence units in sabotage and terrorism, this does not involve large numbers. Funding could prove problematic, though Chief Buthelezi has several rich backers overseas.

If conventional civil war is unlikely, Inkatha could lead a guerrilla conflict which would fester for years, undermining stability in Natal. A new government could probably crush such resistance in the townships around Johannesburg, where it is confined to migrant workers' hostels which an ANC government would not hesitate to raze. But in Natal, the already bad security situation could get worse.

"He's got a formidable support base if they remain firm, and that's a chilling thought," one senior Natal provincial official said. "If he decides to be a disruptive force he can create a tremendous lot of havoc. The Zulus potentially have far more destructive force than the white right, because they can afford to make their people cannon fodder, which the right cannot."

South Africa's worst nightmare would be joint resistance by the white and black right, with right-wing whites providing commanders, training, strategic planning, and perhaps even heavy weaponry from SA Defence Force armouries, using Inkatha as the "cannon fodder". Such a force could disrupt the crucial rail line to Durban port, the main port for the Johannesburg area.

No one knows how many trained military men the white right could count on for such resistance: the top ranks of the SADF are firmly committed to the new government; but among the various part-time, locally based forces and reservists, which total up to 450,000 men, support is unclear.

Even if most of the right wing's threats are mere bluster, enough true militants probably exist to cause considerable disruption, and to prevent elections altogether in certain areas (the poll will go ahead nonetheless, and international election observers seem determined to declare the election "free and fair").

So the ANC's choice will be to split the right now, a strategy they have pursued actively for months, or try to crush it after the elections. Either way, prospects are grim. In the words of the police commander for the Natal midlands: "We will have such a mess, if they (the right) do not take part, then it will be, in the words of (former President) John Vorster, too ghastly to contemplate."

United front: South Africa's black and white right wingers are a formidable obstacle to peace Reuter

Pakistani Senate rejects curbs on central bank

By Farhan Bokhari
in Islamabad

Pakistan's upper house of parliament yesterday rejected a government-backed bill aimed at curtailing the autonomy of the central bank and reducing powers of its governor.

The victory of an opposition resolution by 28 votes to 11 in the Senate was a setback for the government of Ms Benazir Bhutto, the prime minister. Mr Sartaj Aziz, an opposition senator and former finance minister, later called on the government "to show their goodwill now and move towards giving autonomy to the bank".

Senior officials said the government could still sponsor a new bill in the lower house of parliament, but warned that a long controversy would hurt Islamabad's image in the domestic and international financial community.

The government's bill was intended to replace laws enacted in October by a caretaker government, giving the central bank freedom to set monetary policy. Mr Mohammed Yaqub, a former IMF economist with a reputation as a strict financial disciplinarian, is the bank's governor.

Mr Moeen Qureshi, the caretaker prime minister, regarded the changes in the central bank as crucial to his programme of economic reforms. But the ordinance proposed by Ms Bhutto's government aimed to reduce the governor's term of office while requiring the bank to establish monetary policy in consultation with the government.

Western economists had voiced reservations on the Bhutto government's move, arguing that an independent central bank would be the only solution to excessive government borrowing and uncontrolled monetary expansion. The government denies its proposed changes would prevent it from improving fiscal discipline.

● Ms Bhutto yesterday urged the United Nations Human Rights Commission to investigate human rights abuses by Indian security forces in Kashmir, writes Frances Williams in Geneva.

She told the commission's 50th session; "The situation in Kashmir is intolerable, as is the world's silence."

Denying that Pakistan was instigating or assisting the "freedom struggle" in Kashmir, Ms Bhutto said peaceful resolution of the Kashmir issue would pave the way for normalisation of relations between Pakistan and India. She called on India to implement UN Security Council resolutions calling for a UN-supervised plebiscite and to accept UN military observers along the border with Pakistan.

Consumer confidence at 19-year low in Japan

By William Dawkins in Tokyo

Japanese consumer confidence ebbed to its lowest level for 19 years in the final quarter of 1993, it emerged yesterday. Release of the figures increased the urgency for long-awaited income tax cuts, expected tomorrow.

The seven-party coalition appeared yesterday to have settled an internal row over how to fund the tax cut, the main point of an economic stimulus package estimated to be worth at least Y14,000bn (£83.83bn). Mr Hirohisa Fujii, finance minister, said ministers had agreed the principle that an income tax cut must include a commitment to raise consumption tax later, to compensate for the drop in revenue.

Prime Minister Morihiro Hosokawa and three senior cabinet ministers hope to put the finishing touches to the package, at a meeting today with Mr Yohei Kono, president of the opposition Liberal Democratic party. The meeting is the first in the coalition's new policy of seeking the LDP's co-operation on important matters, a consequence of last weekend's compromise on political reform.

Mr Hosokawa and Mr Kono will also discuss the prime minister's meeting next week with US President Bill Clinton, at which Mr Hosokawa is under domestic pressure to defuse US demands for numerically measured increases in the share of imported goods in the Japanese market.

Japan's Prime Minister Morihiro Hosokawa's popularity has rebounded since his victory on political reform, even though most people think it will change nothing, writes William Dawkins. Polls by two newspapers yesterday showed Mr Hosokawa had a 74 per cent support rating, a sharp recovery from last month's level of about 60 per cent.

One poll confirmed dissatisfaction with the two main parties, the LDP and Social Democratic party.

The problems the government faces in encouraging demand for any kind of product were underlined yesterday by the Economic Planning Agency's consumer confidence index for the three months to December. On a scale from zero to 100, the index sank to 35.6, down from 38.4 in the third quarter.

The index is the only official survey of consumers' spending plans on durables and leisure in the six months ahead; it also covers people's general feelings about financial security and standard of living. Sentiment continued to be gloomy in the New Year, on the strength of a 6 per cent fall in vehicle sales from January 1993 to last month, the tenth monthly fall running.

NEWS IN BRIEF

Battle for top post at OECD intensifies

By Peter Norman,
Economics Editor

The battle for the succession to the secretary general's post at the Organisation for Economic Co-operation and Development in Paris moved up a gear last night, when Mr Jean-Claude Paye, the incumbent, reaffirmed his candidacy in a rare public statement.

The normally reticent Mr Paye took the unusual step of commenting on the candidacy of Lord Lawson, the former British chancellor, which was announced on Monday, and that of Mr Donald Johnston, a former middle-ranking Canadian economics minister.

He concluded that Lord Lawson's move, which is backed by the British government, was evidence of his own sound stewardship of the OECD over the past 10 years and therefore justified his seeking a third five-year term of office after his present contract expires in September.

"I am happy for the organisation to see that former ministers, and prominent ones at that, are interested in the OECD," Mr Paye said. "This proves that the organisation is in good shape... so no one will be surprised I am among the candidates to succeed myself".

Statistics standardised

A revised system of national accounts (SNA) that sets new standards for countries to monitor economies was unveiled yesterday, writes Peter Norman. The system modifies the accounting framework used for economic and statistical analysis since 1968.

It will be used by former communist countries that once monitored economies using the "material product" accounting system. The US will also use the system.

UN rights chief

Mr Jose Ayala Lasso, 62, Ecuador's UN envoy, was appointed yesterday to the newly-created post of High Commissioner for Human Rights, Reuter reports from New York. prime

Skase arrested

Mr Christopher Skase, the bankrupt Australian entrepreneur who headed the Qintex media group, has been arrested in Spain, according to the attorney-general's office in Canberra, writes Nikki Tait.

Jordan hit by scare over food

By James Whittington
in Amman

Claims by a minister that most food and medicines imported into Jordan are unfit for human consumption has sparked a health scare there.

The health minister, Dr Abdul Rahim Malhas, alleged western countries were dumping unfit produce on the local market through corrupt drug and food merchants.

The allegations may damage the kingdom's reputation as an exporter. Saudi Arabia, one of Jordan's largest markets, and Sudan have banned the import of Jordanian pharmaceuticals after the scare; Iraq is said to have turned back a shipment of food.

Retailers complain that goods are being left on shelves as panic sets in. European food exporters say containers of perishable goods are stuck waiting for clearance while the government decides what to do.

Today, the lower house of parliament is to hold a special session on the issue.

In an interview with a local newspaper, Dr Malhas claimed "the garbage of the industrialised world" was being dumped on Jordan and existing legislation was insufficient to protect the consumer.

European exporters and diplomats admitted there were problems with the quality of consumer goods on the market but that existing regulations for food imports are stricter than normal international specifications.

The government has said it will look into the issue through committees, but privately is fuming at the minister's allegations.

The decision by Saudi Arabia and Sudan to ban imports of Jordanian drugs and the increasing frustration from European exporters trying to bring food in have intensified the debate.

Japan braced for US pressure on trade

Hosokawa: fears of cave-in

By Michiyo Nakamoto in Tokyo

Japanese officials were braced for more pressure from the US over contentious trade and economic issues with the arrival in Tokyo yesterday of two senior US government officials.

Mr Mickey Kantor, US trade representative, and Mr W. Bowman Cutter, deputy presidential assistant for economic policy, arrived in Tokyo yesterday evening for a series of high-level talks with senior Japanese officials aimed at breaking the impasse in the bilateral negotiations to open Japan's markets to foreign goods and services.

They are scheduled to meet Mr Morihiro Hosokawa, the prime minister, and the heads of the foreign, trade and finance ministries in a search for progress in trade negotiations which have been hampered by big differences over the setting of numerical indicators to measure progress in increasing access to Japan's markets.

That Mr Kantor and Mr Cutter have come to Tokyo with no staff – an unusual step – also reflects US hopes that an agreement is more likely to be secured on a political level, rather than through negotiations with the Japanese bureaucracy, whose staunch resistance to numerical targets has already tried the patience of the US negotiating team.

Mr Tsutomu Hata, foreign minister, said the government should look to the private sector to break the deadlock in bilateral talks on trade in vehicles and parts, one of the most contentious issues in the framework negotiations. The government can only act as a go-between in the car talks, which would best be resolved through private-sector negotiations, Mr Hata commented.

Meanwhile, Mr Hosokawa met Mr Shoichiro Toyoda, chairman of Toyota, over the weekend. According to Japanese press reports, he asked Mr Toyoda if there was anything the industry could do to take the negotiations forward and was reminded of the private sector's stance against setting numerical indicators.

Nevertheless, despite reassuring signs from politicians, there is some concern in the car industry that Mr Hosokawa could cave in to US pressure. "Politicians look at it from a different perspective from bureaucrats, who think mainly about what is good for the industry. If the politicians decide that it is important enough for US-Japan relations," they might just agree to US demands, one industry official said.

Kantor: political level

US plans crackdown over financial services

By Nancy Dunne in Washington

The Clinton administration yesterday said the open US financial services market should no longer be "free" to countries which do not give "fair treatment" to US banking and securities firms overseas.

Mr Rufus Yerxa, deputy US trade representative, told a House banking subcommittee the administration would support the proposed Fair Trade in Financial Services Act and use it to supplement efforts to open markets in the Uruguay Round and the Japan negotiating framework talks.

"The US does not intend to target under this legislation existing operations of foreign companies established within the US," he said. "We believe that any policy should be focused on limiting access to new firms or new opportunities."

An opening of the Japanese huge financial services markets is of particular importance to the expansion and global competitiveness of US firms.

The administration wants the treasury secretary to be able to grant market access to individual companies. The act will be used to complement US multilateral, bilateral and regional efforts to gain access to foreign markets on equal terms with domestic firms.

Western drug companies rushing into China

By Paul Abrahams in Tokyo

American, European and Japanese pharmaceuticals groups are rushing into China to exploit what could become the world's largest drugs market and is already one of the fastest growing.

As growth of the developed world's drugs markets decelerates, the Chinese market continues to demonstrate healthy rates of expansion. With its massive population, estimated at more than 1.2bn, and rapid economic growth, the country is beginning to be able to afford western medicines.

RCI, an affiliate of IMS, the specialist market research company, estimates the Chinese drugs market, excluding traditional remedies, was worth Yn19.3bn in 1992, up 92 per cent compared with 1988. The group forecasts the market will more than double by 1997 in local currency terms, although the depreciation of the yuan will affect growth in dollar terms.

Most overseas groups are setting up joint ventures with Chinese state-owned drugs factories which are seeking funding from abroad to improve manufacturing facilities to international standards.

Initial ventures, such as Merck's giant antibiotics factory opened last year, concentrated on relatively simple medicines. Similarly, Upjohn of the US, which formed a joint venture in August last year, will make antibiotics and steroids in southern China. The company is investing $30m (£20m) to build a factory in Suzhou, near Shanghai. Upjohn owns 75 per cent of the venture, with Suzhou Pharmaceutical Factory No 4 owning the remainder.

However, when Takeda, Japan's largest drugs group, yesterday announced its first joint venture in China, it revealed the new company will manufacture not only cardiovascular, anti-cancer and anti-inflammatory drugs, but also the latest anti-ulcer treatment Takepron, known in Europe as Losec.

Takeda plans to invest $14.4m to acquire 75 per cent in the joint venture with Lisheng Pharmaceutical factory, its Chinese partner. The agreement, which includes marketing and manufacturing, involves the construction of a plant in Tianjin province. Raw materials will be imported from Japan. Construction will begin in June and should be completed within 24 months. Takeda expects to generate sales of Y2bn (£12.2m) by 1997.

Others have already opened their plants and are generating sales. Last month, Ciba, the Swiss group, completed a $21m joint-venture factory with Beijing Number 3 Pharmaceutical Factory and Beijing General Pharmaceutical Corporation. The factory, in which Ciba holds a 60 per cent stake, manufactures antidepressants and treatments for epilepsy, rheumatism and cardiovascular disease. The company is also negotiating a $100m contract for a joint-venture plant in Shanghai.

France in Saudi defence modernisation contracts

By David Buchan in Paris

France yesterday said it had signed contracts with Saudi Arabia worth FFr9bn (£1.01bn) to modernise four Saudi frigates, two tanker supply ships and a range of ground-to-air missiles.

Saudi Arabia's cash flow problem had long delayed conclusion of the contracts, and the breakthrough only came last month when Prime Minister Edouard Balladur visited Riyadh and agreed that France would accept staggered payment for the work to be carried out by DCN, the state shipyard at Toulon, and by Thomson-CSF, Matra, Giat and other French contractors.

Work on Saudi ships and missiles will start "on payment of the first instalment" by Saudi Arabia, the French Defence Ministry said yesterday. This is due by September.

WWF calls for Gatt green plan

By Frances Williams in Geneva

The WWF-World Wide Fund for Nature today wades into the heated debate over Gatt's future work on trade and the environment which threatens to dominate next April's ministerial meeting in Marrakesh to sign the Uruguay Round global trade accords.

The Swiss-based environmental organisation calls, in a position paper, for ministers to approve establishment of a permanent committee on trade and the environment within the new World Trade Organisation, and to accept that Gatt rules will need changing to meet environmental concerns.

These demands are likely to incense many developing countries who regard the enthusiasm of environmentalists for enforcing "greenery" though trade restrictions as opening wide the door to new forms of protectionism. Rich-country proposals for a trade and environment committee were beaten off during negotiations on the WTO which ended in December.

Trade negotiators from the 117 countries taking part in the Uruguay Round did, however, agree to present a trade-environment work programme to ministers in April, and its terms of reference are now the subject of intensive discussion inside and outside Gatt.

US and EU trade and environment officials met last weekend in The Hague, together with a number of non-governmental organisations, to discuss what the work programme might look like. EU officials meet their counterparts from the European Free Trade Association in Vienna today, and a discussion between ministers from rich and poor countries is scheduled for February 17 in Geneva.

WWF says Gatt should work alongside United Nations bodies concerned with environment, trade and sustainable development. "At present, Gatt work fails to address environmental effects of trade and has not tackled the interference of trade rules with environmental policies," says Mr Charles Arden-Clarke, WWF policy analyst.

Bangkok railway project approved

By Victor Mallet in Bangkok

The Thai cabinet yesterday approved a plan by Bangkok Land, the country's biggest property company, to build an elevated passenger railway system designed to ease traffic congestion in the capital.

Bangkok Land's project, costing more than $1bn (£600m) is the successor to the ill-fated Skytrain contract won by SNC-Lavalin of Canada. That deal was cancelled in 1992 by a previous Thai government after 17 years of deliberations.

Yesterday's announcement gives Bangkok Land a boost in its effort to implement the project, but the citizens of Bangkok have been disappointed so often in the past that few will believe in any mass transit system until they see it under construction.

In approving the project yesterday, the government expressed reservations about the environmental impact of the elevated railway and suggested an action plan to reduce environmental damage.

Some politicians, backed by environmentalists, say an underground railway would be better than an elevated system, and Bangkok Land may be obliged to run at least part of the 20km line underground if the project goes ahead.

Among the contractors chosen by Bangkok Land are Thai Leighton and Bouygues Thai, affiliates of the Australian and French groups. Bangkok Land says it intends to issue $600m in convertible eurobonds to help fund the project.

Mr Chuan Leekpai, the Thai prime minister, has been sharply criticised by his political opponents for failing to tackle Bangkok's traffic jams decisively. Much of the blame lies with his predecessors, who ignored the need for investment in infrastructure.

LEGAL NOTICES

IN THE MATTER OF
ADSIT LIMITED
and
IN THE MATTER OF
THE INSOLVENCY ACT AND RULES 1986

In accordance with Rule 4. 106, we, John Alfred George Alexander of Pannell Kerr Forster, New Garden House, 78 Hatton Garden, London EC1N 8JA and Barry John Ward of Pannell Kerr Forster, New Guild House, 45 Great Charles Street, Birmingham B3 2LX, give notice that on 6 January 1994 we were appointed Joint Liquidators of Adsit Limited by a resolution of creditors.

Notice is hereby given that the creditors of the above named company, which is being voluntarily wound up, are required, on or before 31 March 1994 to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned JAG Alexander of New Garden House, 78 Hatton Garden, London EC1N 8JA Joint Liquidator of the said company, and, if so required by notice in writing from the said Joint Liquidators, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution.

Dated 28 January 1994
JAG Alexander, Joint Liquidator

REGENT CORPORATION

A Petition by Regent Corporation Plc whose registered office is at Saltire Court, 20 Castle Terrace, Edinburgh for confirmation of reduction of capital has been presented to the Court of Session. On Friday 7th January 1994, the Court pronounced an Order appointing the Petition to be intimated on the walls of the court and to be advertised once in The Edinburgh Gazette and each of The Scotsman and Financial Times newspapers. The Order further allowed all parties claiming an interest to lodge Answers to the Petition, if so advised, within twenty-one days after such intimation and advertisement. This advertisement is made in pursuance of that Order and any Answers to the Petition should be lodged within twenty-one days hereafter.

Dundas & Wilson C.S.
Saltire Court
20 Castle Terrace
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Major rejects demands from Tory right

By Kevin Brown and James Blitz

Prime minister John Major yesterday rejected rightwing demands for changes in his cabinet line-up in an attempt to restore some of his battered authority over the government.

A delegation of MPs from the rightwing 92 Group emerged chastened from Mr Major's Commons office a few minutes after arriving to demand urgent changes in the government line-up.

Buttressed by support from mainstream Conservatives angered by the right's bellicose tactics, Mr Major left little doubt about his anger over their demands.

The prime minister was said to be particularly angry about publicity given to the meeting by rightwingers, which suggested that he was being offered terms for his survival as leader.

Friends of Mr Major said the meeting broke up only two minutes after the arrival of the deputation, led by Sir George Gardiner, the 92 Group chairman.

The right put a brave face on its defeat, insisting that the meeting lasted nearly 10 minutes, and claiming it had been "deferred" by agreement with the prime minister.

However, Mr Major's robust response was applauded by centrist and leftwing supporters, as well as by some rightwing MPs who believe that the government's problems are rooted in the prime minister's failure to exercise authority over the Conservative party.

The prime minister's robust action will quell speculation about an early reshuffle, which most MPs now believe will be delayed until after the local government and European parliament elections in May and June.

However, the government will try to resolve a raft of other problems this week to allow campaigning for the two elections to begin later this month.

Mr Michael Howard, home secretary, is expected to announce concessions on the controversial police and magistrates bill today, while Mr John Gummer, environment secretary, is also considering a climbdown on proposed local government reforms which have angered many Conservative backbenchers.

In addition, the cabinet is expected to give approval tomorrow to reports from five pay review bodies giving 1.5m public sector workers pay rises of between 2.5 per cent and 3 per cent.

Mr Norman Lamont, the former chancellor, ruled out an early leadership challenge in a speech to the foreign press association. However, Conservative MPs said Mr Lamont would have received little support.

● Ms Jo Richardson, the veteran left-wing Labour MP for Barking and a doughty and fearless champion for women's rights, died yesterday after a long illness. She was 70.

At the last general election she had a majority of 6,268.

Franco-British venture wins submarine deal

By David White,
Defence Correspondent

A battle for dominance in the dwindling UK market for naval sonar equipment has been won by the Franco-British joint venture Ferranti-Thomson Sonar Systems with the award of a £180m contract to equip Royal Navy submarines.

The decision, announced yesterday in a Commons written answer by Mr Jonathan Aitken, defence procurement minister, brings to an end a three-year contest with GEC-Marconi, the other main British company in the sector. It is likely to accelerate moves towards a reorganisation of the sonar business into a larger Franco-British grouping.

The contract, which Mr Aitken said would create "a number of new jobs", covers development of a sonar system for nuclear-propelled "hunter-killer" submarines and the supply of equipment for four of the Royal Navy's Trafalgar class vessels.

The Ministry of Defence has abandoned plans to fit the new sonar on its five older Swiftsure class submarines.

However, a further order is expected for other Trafalgar class boats. The navy has seven in total and a decision is awaited on plans for a further production batch.

The submarines currently rely on a Plessey "search and attack" sonar. The Plessey naval business is now part of GEC-Marconi.

Yesterday's decision tilts the balance in a UK market in which Ferranti-Thomson and GEC-Marconi have had roughly equal shares, and is expected to herald a merger of the two operations.

Ferranti-Thomson's UK shareholder, Ferranti International, has been in receivership since December. Negotiations have been under way on a plan to sell its 50 per cent share to the French partner, Thomson-CSF, which would then sell the holding on to GEC-Marconi.

Thomson-CSF took its share in Ferranti's sonar business four years ago after the UK group was rocked by fraud in its US subsidiary International Signal and Control.

The French company has the right of first refusal on the shareholding, but the Ministry of Defence wants to maintain a UK partner.

If the plan goes ahead as expected, GEC-Marconi would effectively recover the sonar business it has lost in recent years.

Its expected move closely resembles its takeover in 1990 of Ferranti's airborne radar division. A Ferranti-led consortium was at that time on the point of clinching the radar order for the four-nation Eurofighter project. GEC-Marconi was up to then in the rival consortium.

Nissan becomes top car exporter

By John Griffiths

Trade minister Tim Sainsbury (right) with Nissan's UK managing director Ian Gibson Picture: Reuter

Rover Group, about to pass into the ownership of BMW of Germany, was displaced by Nissan last year as the UK's biggest car exporter.

Nissan shipped 182,207 cars worth nearly £1bn to 36 countries. Rover exported 161,932.

Society of Motor Manufacturers and Traders statistics show Vauxhall came in a distant third with 72,090, even when including production from its IBC commercial and utility vehicles ventures.

Nissan's Japanese rivals in the UK, Toyota and Honda, began production only at the beginning of last year and consequently trailed far behind Nissan. Toyota exported 27,735 cars and Honda 27,121.

Exports last year at Nissan accounted for 75 per cent of the 246,000 total output at its plant near Sunderland.

However Mr Ian Gibson, Nissan managing director in the UK, warned yesterday that the company's output this year is unlikely to match 1993 levels because of the continuing deep recession in continental European car markets.

He said Nissan was viewing the current year "with caution" and projecting production of between 200,000 and 240,000 units.

The steepness of the decline in Continental markets last year was such that Nissan was obliged to introduce single-shift working in the final quarter as well as an "agreed severance" scheme which saw the Sunderland workforce fall from 4,600 to 4,250.

Nevertheless, the plant is to return to two-shift production at the beginning of next month and Mr Gibson said employment had stabilised.

This is partly because of the strong recovery in the UK new car market. Figures to be released later this week are expected to show demand in January was 17 per cent higher than in the same month a year ago.

Nissan, which has won two Queen's Awards for Export Achievement since 1988, has invested £900m in its UK manufacturing operations and claims "local" – European – content of more than 80 per cent in the two models its produces, the small Micra and upper-medium Primera.

Mr Gibson said Nissan's UK operation expects roughly to break even at the operating level in the 1993 financial year. Nissan Motor Manufacturing (UK), the production subsidiary which is based in Sunderland Tyne and Wear, made a pre-tax profit £29.6m in 1992. Nissan Motor (GB), the sales and marketing subsidiary, suffered a loss of close to £17m in its first year of operation.

Britain in brief

NAO chief warns over accountability

Private-sector managers brought in to run public services often have an inadequate grasp of the importance of accountability to parliament, Sir John Bourn, the comptroller and auditor-general, told a committee of MPs yesterday.

Sir John, who heads the National Audit Office, the public expenditure watchdog, said chief executives from the private sector running government agencies and quangos were often surprised to learn that they were subject to scrutiny for their handling of public money. One chief executive had questioned why his organisation's finances were being investigated by the NAO and why a report was being sent to parliament.

Outsiders could bring new management skills into the public services, Sir John said. But they needed to be briefed on traditional procedures for handling public money to avoid the sort of waste and corruption revealed in last week's report from the Commons Public Accounts Committee.

Sir John was giving evidence to the cross-party Commons Treasury and Civil Service committee along with Mr Robert Sheldon, the PAC chairman. Mr Sheldon challenged the prime minister's claim that the PAC report had contained no evidence of a decline in standards in the public services. "We would not have published the report if we had not been concerned about the number of failings we have discovered in recent years," he said.

SE plan for greater powers

The London Stock Exchange is proposing to give itself powers for the first time to order restitution to victims of misconduct and to make it easier to penalise wrongdoers and publish their names.

The proposals are aired in a consultation document released yesterday on changes to the member firms' rule book.

For the first time a rules committee will be able to consider breaches of rules and set fines of up to £25,000 in addition to ordering member firms to repay victims. Fines for misdeeds over that amount must be considered by the Exchange's disciplinary committee, and the names of those found to have breached rules will automatically be made public.

More pits to close

British Coal yesterday announced the closure or merger of three pits as it began the final phase of a rationalisation programme which will leave the industry with about 15 working pits for privatisation later this year and next.

Two of the three, Goldthorpe and Silverwood, both in the Yorkshire region, were among 19 pits previously considered core collieries. They were not named for closure in October 1992 when the government wanted to close three-fifths of the industry, but was forced to backtrack by a public outcry.

The announcement will leave the industry with even fewer collieries than British Coal envisaged 15 months ago.

Arthritis drug 'breakthrough'

The most promising clinical results so far in the search for an effective arthritis treatment were announced in London yesterday.

Scientists at the Kennedy Institute of Rheumatology spoke of a "breakthrough" as they published the results of a trial of an experimental drug on 20 patients with long-standing rheumatoid arthritis.

All 20, who had failed to respond to existing drugs, showed a marked and long-standing improvement after treatment at Charing Cross Hospital, London, with the new product, CenTNF. It is an antibody manufactured by Centocor, a US biotechnology company, which blocks the action of tumour necrosis factor, a natural molecule involved in the inflammatory process.

Concern over M-way repairs

More than 300 miles of Britain's motorways, 16 per cent of the total, have less than a year of life remaining, the Automobile Association said yesterday.

The poor state of the motorways is a legacy of underspending in the 1970s and 1980s, it said in the quarterly AA Magazine. Reconstruction will cost £5m a mile and will take at least four years, it added. The Department of Transport said roads were built to last 40 years but the speed with which they reached the end of their useful lives depended on the volume and type of traffic using each one.

Ulster fund creates jobs

A scheme to help economically deprived areas of Northern Ireland and border regions in the Republic created at least 2,600 jobs last year, it was disclosed today. The International Fund for Ireland was set up by the British and Irish governments seven years ago.

Money from Europe, the US, Canada and New Zealand has assisted more than 3,000 projects, 400 of them last year, according to the fund's annual report. It has resulted in direct expenditure of around £800m.

Nestlé fined over accident

Nestlé, the international food consortium, was fined £12,000 yesterday after it admitted failing to ensure the safety of a worker who fell into a chocolate mixer. Mr Alex Tuvey-Smith fell into a machine he was cleaning at Nestlé UK's factory in York.

He was seriously injured when the mixer's paddles started unexpectedly after staff failed to isolate power to the mixer, York Magistrates Court was told.

Governor upbeat on prospects for growth

By Peter Norman,
Economics Editor

Mr Eddie George, the governor of the Bank of England, last night said prospects for sustained output growth and gradually falling unemployment in Britain were "better than at any time" in his 31-year professional career.

In a speech to the Bankers Club annual banquet in London's Guildhall, Mr George backed up this optimistic view with the observation that UK underlying inflation was lower than for a generation.

But the governor couched his remarks in such a way as to squash any idea that he might argue for a cut in bank base rates from their current 5.5 per cent level when he meets Mr Kenneth Clarke, the chancellor, for their monthly monetary meeting later today.

Mr George spoke of the need to make "sustained, non-inflationary growth a reality over the years ahead". He recalled that the government had the "declared longer-term aim of price stability" and, with the bank, was "making solid progress towards that goal". However, the desired outcome of stable prices, rising output and falling unemployment was "not assured", he said.

Mr George insisted that price stability was necessary for avoiding the exaggerated boom and bust cycles that had caused repeated social and economic damage in Britain.

Stating his position in the debate over independence for the Bank, he criticised those MPs who last Friday voted against a private member's bill to give the Bank more autonomy on the grounds that the government must retain direct control over short-term interest rates. This was hard to understand, given proposals to make the Bank more accountable, "unless the reason is in order that the government should retain the option of debasing the currency".

On the other hand, he said he would not wish the Bank of England to have independence without a broad consensus in favour of price stability.

Watchdog acts to end abuse of gas market

By Robert Corzine

Ofgas, the UK gas industry regulator, has proposed tough new criteria to stop speculators and independent gas companies abusing the system which allocates supplies from British Gas reserves to its competitors.

A consultation paper published yesterday proposes two options for the gas release programme, which was set up in 1992 to stimulate early competition in the mainly industrial and commercial market by selling British Gas supplies to independent gas marketers. They are:

● The introduction of stringent eligibility criteria, requiring applicants to prove they have been active in the market since October and that they have customers.

They would also have to present proof of access to at least 1.5m therms of gas from sources other than the release programme. In addition, recipients of release programme gas could only transfer 20 per cent of their allocations to other suppliers.

The price would be the weighted average cost of gas purchased from British Gas plus a wholesaling fee of 0.25 pence per therm.

● A postal auction of 200m therms of gas. Companies would bid for packages of gas, which would vary according to factors such as different entry terminals. All independent gas marketers who can demonstrate a trading track record would be eligible, although no single bidder could buy more than 20 per cent of the total.

Ofgas last year took over control of the release programme from the Office of Fair Trading after complaints that speculators were dominating the auctions. In 1992, 32 companies qualified for the programme under rules which guarantee them access to 300m therms of gas during 1994-95.

But 70 new applicants emerged in last year's auction. Many were speculators who simply sold their gas allocations to the established companies at inflated prices. Some marketers also made multiple applications under different names.

The gas release programme was devised as a temporary solution to enable the marketers to serve industrial and commercial customers while developing their own sources of offshore gas or entering into long-term contracts with gas producers.

Ofgas says it is prepared to look at alternative arrangements if there is no clear support for either of its alternatives. Submissions to Ofgas must be received by February 25.

Shell and Esso are evaluating the use of a floating production and storage platform to develop small oil reserves in the central North Sea.

It is the first time the two partners have considered using anything other than conventional fixed platforms in the North Sea.

The floating production and storage platforms are likely to seen more frequently in UK waters because of their lower capital costs and greater flexibility. New technology allows them to maintain precise positions even in bad weather.

They figure prominently in plans to exploit smaller reserves which do not justify the expense of building fixed platforms.

Shell and Esso say the use of a floating system should also cut lead times in developing the new fields.

A £12m design contract has been awarded to a Swiss company. The partners will decide later this year whether to go ahead with construction of the vessel. It would cost about £230m and would initially be used in the Teal discovery east of Aberdeen.

'Suicidal' construction industry digs its own grave

Andrew Taylor finds too many builders chasing too little work

Construction output has started to climb in the UK after three years of recession, but the improvement is expected to be slight and contractors are still charging "suicidal" prices to win work.

Cement prices, meanwhile, are poised to rise by an average of about 3½ per cent from March 1, the biggest annual increase for two years. This will further increase the building material costs of struggling construction companies.

Developments, forecasts and workload studies announced by the industry in the past few days emphasise the fragile nature of a recovery, which companies say could claim almost as many business failures as during the recession.

The recent collapse of Kentz, UK subsidiary of Kent Corporation, the Republic of Ireland-based mechanical and electrical contractor, may cause yet another cascade of receiverships as the effects of the collapse ripple downwards to subcontractors and suppliers.

The problem for contractors is that there are still too many companies chasing too little work, in spite record receiverships and the recent surge in orders.

Mr Martin Laing, chairman of construction company John Laing, has upset senior executives in the industry by criticising banks for propping up weaker rivals which he says ought to have been allowed to fail to allow much neededed rationalisation of the industry.

"Prices must get back to economic levels. This cannot happen while there are so many companies competing against each other. Orders have risen a bit but nowhere near enough to allow margins to recover."

Yet industry order books are rising for the first time since 1990.

According to the Department of the Environment the value of construction orders won by contractors in the UK rose by 10 per cent to £18.06bn in the first 11 months of last year compared with the corresponding period in 1992.

Sales of ready-mixed concrete, one of the best guides to construction activity, rose by 12 per cent during the final three months of last year compared with latter part of 1992, the British Aggregate Construction Materials Industries trade association says.

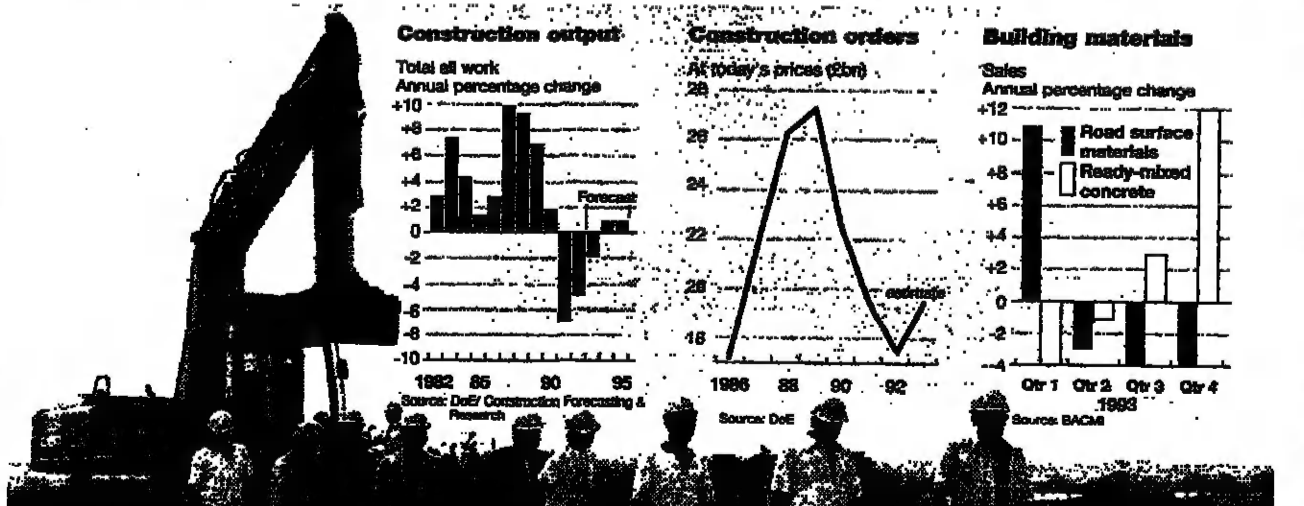
Sir Brian Hill, president of the Building Employers Confederation, says too many contractors are quoting "suicidal" prices. Jobs are being won at cost or even at a loss just to keep cash flowing into weakened businesses.

This could cause serious difficulties on projects such as the £1.9bn Jubilee line extension in London where London Underground is thought to have negotiated exceptionally keen prices providing little or no profit for contractors.

Construction companies working at cost or worse, typically, try to improve their return as work progresses and design changes are required by the client – particularly if material cost increases means that they may be facing heavy losses on the original price.

London Underground, to prevent itself from being held to ransom by contractors, has incorporated strict conciliation procedures in contracts. It also required on-demand performance bonds allowing it to seize up to 10 per cent of the value of a contract without having to prove default by contractors.

Increasing demands from customers for performance bonds is adding to strains on contractors' finances.



Companies also are concerned that the rise in orders seen in the second half of last year may slow as public spending cuts take effect in the spring and with retailers such as Tesco and Safeway planning to reduce store developments.

There is also concern that the housing market recovery, which is expected to lead the industry out of recession, may be set back when tax and national insurance rises are triggered at the end of March.

Construction Forecasting and Research, which previously prepared industry forecasts for the National Economic Development Office, expects the value of output in constant 1985 prices to rise by only 1 per cent this year and by the same amount in 1995.

This is hardly the stuff of a healthy recovery. Government hopes that the private sector will be encouraged to invest in infrastructure to offset public spending are a long way from being fulfilled. Construction prices are likely to remain under pressure.

The Building Employers Confederation believes that job losses in the industry may have stabilised. Even so, a fifth of 600 companies questioned by the confederation last month expected to reduce their workforces further during the next 12 months.

For many the hard times remain, even if the gloom has got a little lighter.

Shouts are not enough

UK companies doing business in the emerging market economies of eastern Europe can now use a service* aimed at helping with the languages spoken in many of the areas, as well as with cultural differences.

The initiative, launched yesterday, is part of a wider government attempt to encourage more language training for exporters. A report last year showed that a third of small UK exporting companies had missed opportunities due to linguistic barriers. In the Netherlands, only 4 per cent of exporters had experienced the same problem.

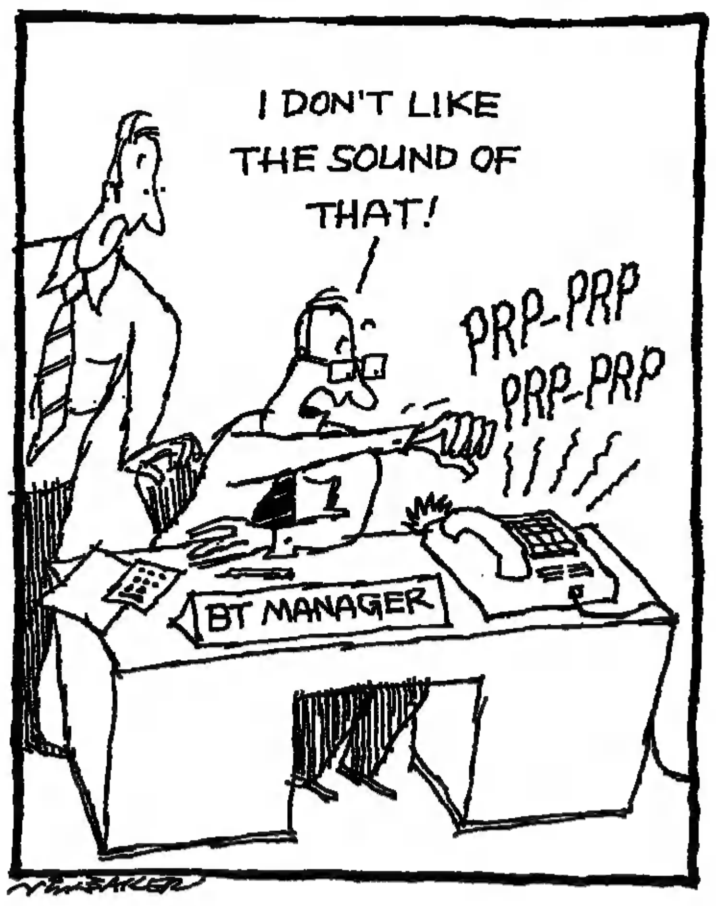
Few Slavonic languages are taught in British schools which is why eastern Europe, which has some of the greatest export opportunities, is now a focus of attention. The new service, backed by the Department of Trade and Industry, is a joint venture between the School of Slavonic and East European Studies, a college of London University, and Communicaid, a corporate trainer.

The service offers "language audits" of a company's real language needs for trading in a particular area, followed by tailored, individual tuition. Seminars on cultural, economic and political considerations are available, as well as access to an archive of materials from London University.

"Many British exporters have already realised that shouting loudly in English is no longer enough," said Richard Needham, the trade minister. "They've tackled languages strategically – as part of their business plan – and they're the ones who are cleaning up. The problem is that many more still haven't got the message and are actually losing out."

John Authers

**DTI Languages for Export Campaign, Joint Export Promotion Directorate, DTI, Bay 905, Kingsgate House, 66-74 Victoria Street, London SW1E 6SW. Tel. 071 215 8146/4857.*



Must try harder

Many companies are having trouble with performance-related pay schemes. **Robert Taylor** reports on BT

Performance-related pay is by no means a trouble-free method for determining individual remuneration, as a growing number of UK companies are discovering.

Recent research carried out by the Institute for Manpower Studies over a wide range of companies across industrial sectors suggests many PRP schemes do not motivate workers effectively, fail to reward individual effort and, above all, do not noticeably improve business efficiency.

The latest example of a PRP scheme in trouble also underlines the dangers of introducing one in difficult times if it makes no commercial sense.

British Telecommunications, the telecoms group and Britain's largest private-sector company, last week suspended its 10-month-old PRP scheme for 26,000 managers and professional staff because it threatened to undermine the pay bill.

Ironically, BT introduced its scheme last year to control labour costs, but it now finds that the PRP arrangements, if applied, would breach the 2.3 per cent overall increase for managerial staff which it has set for 1994. "This does not provide us with enough money to make our PRP scheme a sensible way of deciding pay rises this year," says David Scott, BT's industrial relations manager.

The company may improve its present overall cash allocation a little in negotiations with the Society of Telecom Executives (STE), the union representing its management. But it is determined not to apply the PRP system it negotiated less than two years ago.

Under the terms of an earlier deal, the company this year intends to reward only its top 10 per cent of managerial high-flyers with rises of up to 6 per cent, while others can expect unconsolidated payments. Half its managers will get no rise in 1994. But Scott argues pay is not the "main cause for anxiety" this year among BT's managers. "Their job security is the more serious problem," he adds.

The problem for the company though, is not just the short-term one of keeping within a budgetary pay allocation. More fundamentally BT's own pay comparison study, which relates its PRP assessments to outside competitors, indicates that it is already paying its managerial grades from 11 to 14 per cent more than their colleagues in broadly similar jobs in other enterprises.

BT's study covers not just its main telecommunications rivals – Mercury in the UK, Sprint and AT&T in the US – but companies such as Siemens, the German electronics group; Thorn EMI, the UK leisure and electronics group; IBM, the international computer group; Ericsson, the Swedish telecommunications giant; and Hewlett-Packard, the US electronics group, as well as TSB and National Westminster, the UK high street banks, and large retailers like J. Sainsbury.

The basic earnings of the core of BT's managers, the company says, are in the upper quartile of the market range. Scott says: "We do not want to be upper quartile payers for our managers any more. We want to move down the market."

BT has, therefore, told the union that it needs to bring its managerial salaries more into line with those in the rest of the telecommunications industry if the company hopes to defend its competitive cost base in the medium to long term.

Scott insists BT has not set itself any precise timetable in which to drive down the managerial pay bill but BT's intention to do so clearly cuts across any plan to use PRP to reward improved managerial performance.

He recognises that some of the company's more talented managers might leave as a result of suspending the PRP scheme, but says BT "has to lose managers in the next financial year anyway", as it restructures in the face of competitive pressures and regulatory changes.

The company's hard-nosed attitude towards its PRP scheme this year has angered many managers. "BT's aim through its PRP scheme has been to penalise managers, not reward them," claims Leslie Manasseh, the union's national organiser. "It took eight months of hard bargaining with BT to reach agreement on a PRP scheme," he adds. "We warned the company not to introduce the scheme if they could not make enough money available to ensure its success."

At the time of its implementation though, the increasingly competitive climate in telecommunications was driving the company towards the PRP option. The full story goes back to just after privatisation 10 years ago when BT took its 7,500 senior managers out of the collective bargaining system and introduced personal employment contracts.

But it continued to pay other managerial grades an annual, general cost of living pay rise every spring and, in addition, what BT called a performance-related pay progression increase in the autumn (to be distinguished from the scheme that is now in question). "We had to put a stop to this double hit pay round for our managers," explains Scott.

Last year BT negotiated a single salary increase based on performance assessment, under the new PRP scheme, without a cost of living addition. This enabled it to halve its managerial pay bill. The size of the PRP rises was determined through the application of a computer-generated matrix which calculated a salary rise for each manager. This was based on assessments by senior managers using the earlier individual appraisal marking system and a more specific zero to 100 performance score.

From the start the company's PRP scheme aroused widespread anxiety and suspicion. The fears were common to those experienced by employees in other companies in the early stages of a PRP system.

"It was not applied consistently. People were not told their assessment score," says Manasseh. "Nearly a third raised grievances over this." In a recent survey, the union catalogued a litany of complaints from BT managers about its first year of operation.

Only 6.5 per cent of the union survey respondents said PRP at BT had brought an improvement in managerial performance, while as many as 63 per cent believed it had been applied unfairly in practice.

Companies which have had trouble with PRP schemes have often refined them to convince employees of their ultimate fairness and this is what BT may well have to do. Even the STE wants to see BT continue with some form of PRP.

Previous articles on PRP appeared on November 3 and 17.

TQM is about to gain a higher profile, reports **Tim Dickson**

In search of excellence

A UK quality award – closely modelled on a scheme which has been running throughout Europe for three years – will be launched in London today by Michael Heseltine, trade and industry secretary.

The initiative – backed to the tune of £500,000 from the Department of Trade and Industry plus donations from 70 corporate members of the recently re-born British Quality Foundation – should further raise the profile of the business philosophy known as total quality management.

TQM is the gospel of focusing everyone's attention in an organisation on the customer. It is sometimes criticised for being a complex statement of the blindingly obvious, but the approach to business which it represents has taken deep root in the US and Japan and continues to attract interest in the UK and continental Europe.

In common with the famous US Baldrige Award and the European award administered by the European Foundation for Quality Management in Brussels, the new UK scheme has a competitive dimension. But according to Malcolm Franks, the BQF's chief executive, the establishment of domestic role models is a more important objective. "It is our mission to get the message spread across the UK business community, and right down to small businesses."

In an important departure from the EFQM model, the UK scheme will have two distinct categories – one for businesses employing more than 250 people and one for those with fewer. The European entry criteria have been modified by the architects of the UK award, while, contrary to the European practice of having a first prize and runners up, there will be no outright UK winner.

In terms of evaluation, however, the assessment process will be identical to that developed by the organisers of the European award. Thus companies' performance will be judged on the basis of nine weighted criteria, divided into so called "enablers" (leadership, people management, policy and strategy, resources, and processes) and "results" (people satisfaction, customer satisfaction, impact on society and business results).


Malcolm Franks: spreading message

Franks admits that most of the evidence for improved bottom-line performance via TQM is anecdotal. But he believes that even if people argue about the appropriate weightings it is hard to find a more comprehensive list of ingredients for potential business excellence.

As part of its plan to propagate TQM the BQF is also publishing a guide* which will help organisations assess systematically their key activities and business results.

To apply for the UK award – open this year to all "for profit" organisations in the private and public sectors, UK and foreign owned – companies must first have undertaken at least one self-assessment. The entry for smaller businesses is £500, for larger ones £1,500. Even unsuccessful competitors will receive a report, prepared by a panel of assessors, which Franks says should form a useful basis for any future improvement plans.

The final date for registering entries is April 18, the closing date for submissions June 18.

**For further information about the award and the guide (price £14 to non-BQF members), contact Kevin Shergold, director of Awards, British Quality foundation, Vigilant House, 120 Wilton Road, London SW1V 1JZ. Tel 071 873-8600 or Fax 071 873-8588.*

PEOPLE

Former retailer to sell off BR

Although it is the privatisation of British Rail's passenger services which has attracted most attention, a sizeable part of BR's turnover is accounted for by activities such as freight, parcels and maintenance work.

Responsibility for engineering the sale of BR's non-passenger businesses has been entrusted to Christopher Campbell, who joined BR yesterday as vice-chairman.

Campbell, 58, has spent most of his business career in retailing at Debenhams. But his particular relevance to BR lies in his experience of handling the break-up of the National Bus Company following the deregulation of the bus industry in 1985. Campbell was chief negotiator handling the sale of NBC companies to the private sector.

The government will be hoping that the privatisation of BR does not lead to the chaos which followed bus deregulation in some provincial cities, where rival companies swamped popular routes and brought city centres to a standstill.

Campbell was educated at Epsom College before qualifying as a chartered accountant with Spicer & Pegler. After 20 years with Debenhams and a spell with National Bus in the late 1980s he went to British Shipbuilders in 1989. He has also been a director of Harrods Bank since 1991.

His spare-time positions include a governorship of the United World College of the Atlantic, a network of international schools with a strong "outdoor" flavour. He is also a council member of the Music-Space Trust, which has established a network of music therapy centres.

Long-time students of British Rail might also identify another strand in his professional career linking him to BR. One of the jobs he held at Debenhams was that of managing director of Hardy Amies, a name once associated with the design of uniforms for BR staff.

Terry Upsall

Terry Upsall, who has died apparently from a stroke while on holiday, was one of the best known figures in the UK housebuilding industry. He was 56 and leaves a wife and two children, both married.

Upsall was one of the principal architects behind the expansion of Beazer Homes from a small West Country builder to the country's third largest housebuilder. Having become chief executive of Beazer Homes in 1974 two years after joining the company, he subsequently became chief executive, as well, of Beazer's US housing and and property interests. In 1991 he assumed additional responsibility for contracting in the UK.

When in that year Beazer decided to float its UK and European operations, it named Upsall as prospective chief executive of the company – to be named CBH group. The flotation was aborted after Hanson, the UK and US conglomerate made an agreed bid for the whole of the Beazer Group. Hanson recently announced that it intends to float Beazer's UK housebuilding business by the end of March.

Upsall was highly respected as one of the country's most successful housebuilders and in 1990 became president of the House Builders' Federation. He retired from Beazer in 1992 and became a non-executive director of housebuilders Berkeley Group last year.

■ Last year Nomura, the big Japanese securities house, saw its ranking in the Eurobond league table drop to seventh from second place in 1992.

Now it has poached Simon Howell from Merrill Lynch to run its London-based Eurobond syndicate desk jointly with Andrew Pelling. Howell, 35, is expected to join Nomura in April. His departure has prompted a reshuffle; Mark Garcia will arrive shortly from New York to run the syndicate desk with Paul Richards.

Meanwhile, Jon Greenwood's imminent move from the Eurobond syndicate desk at Goldman Sachs to ABN-Amro Bank in Amsterdam, where his brief is to boost the bank's non-guilder new issues business, also consolidates his personal life. He has married a Dutch woman after a lengthy long-distance romance.

Miller and Timberlake join forces

Tim Miller, formerly marketing director at unit trust company M&G and before that, managing director of Framlington Group, plans to make his own foray into the unit trust business.

He has taken a 52 per cent stake in Portfolio Fund Management whose leading unit trust is a "fund of funds" called Portfolio Trust which invests in other unit trusts. According to Micropal, which tracks the performance of unit trusts, Portfolio Trust was the top performer of its type last year, and for the two-three-year and four-year periods since its launch. It will be relaunched under the name Portfolio Fund of Funds.

Richard Timberlake, former managing director of Fidelity Investment Services and currently chairman of Fund Research, will retain a 47 per cent stake in the company and act as investment manager.

Miller, who resigned from the board of Lautro, the self-regulatory body for the life insurance and unit trust industries over its refusal to force fuller fee disclosure, says he is instituting a novel fee structure for his own unit trust. Investors in funds of funds have effectively been double-charged because they pay fees to their own fund manager and to each of the managers of the unit trusts they buy.

First, the fund will negotiate reduced fees on the unit trusts it purchases from others because it will buy in bulk. Second, Miller says, it will offer a US-style fee structure which shrinks as the size of the investment rises and investors buying more than £100,000 of units will pay no up-front charges. Third, if assets under management grow substantially, the economies of scale will be passed on to unitholders.

This is a radical departure from the practice at Miller's former employers where shareholders are the sole beneficiary of growth.

Stephan Harris, 47, has been appointed group treasurer at National Westminster bank, though he will also continue in his current position as managing director, global treasury, for NatWest Markets, responsible for the global foreign exchange, money markets and currency option businesses.

A US citizen and graduate of the American University, Washington DC, and the Wharton graduate school of the University of Pennsylvania, Harris started his banking career in 1973 by joining the First National Bank of Chicago. There he held a variety of positions, including by 1981 the post of senior vice president and head of Asia Pacific, based in Japan. In 1989 he moved to London, where he was head of international capital markets.

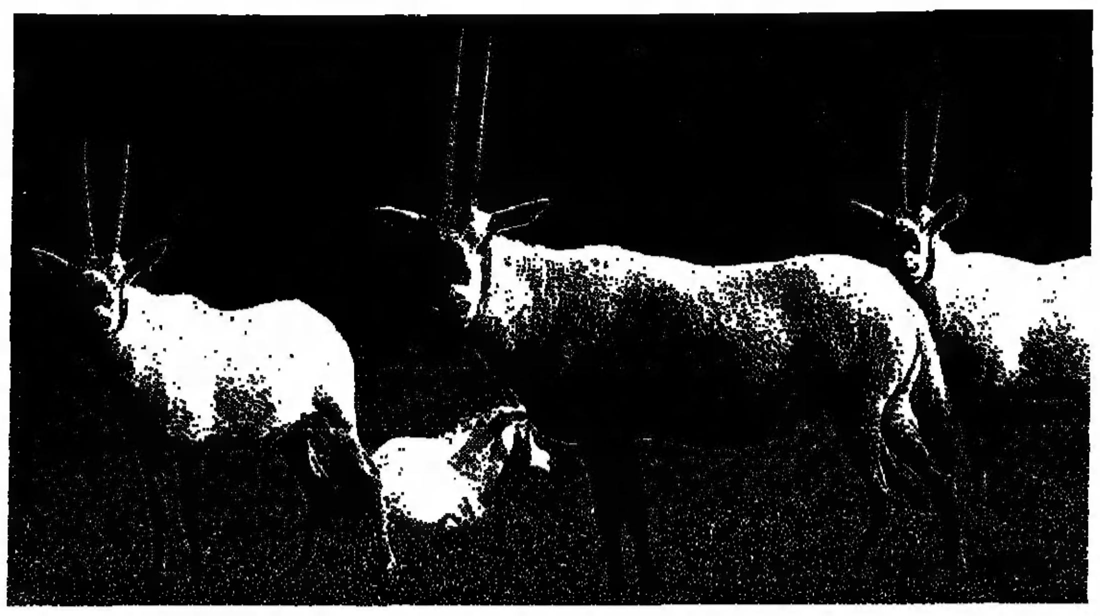
Poached by NatWest in 1992, Harris joined the British clearing bank as managing director, global treasury, NatWest Markets. His geographical reach in that role extends across not just Europe but also the US and the Asia-Pacific region.

Harris says his new role is "not a completely new function", as Martin Owen, who tempted Harris to NatWest and is chief executive of NatWest Markets, had previously absorbed the group treasury responsibilities within his own role.

But with the growth of NatWest Markets' global foreign exchange operations in the past 18 months – Harris calculates customer volume has increased by as much as 400 per cent since he joined – it seemed sensible to split the functions and for Harris to take on a role more widely dedicated to the bank's expanding global capital markets.

■ David Straker-Smith has been appointed a director of GERRARD & NATIONAL HOLDINGS; Henry Askew has retired.

■ Ian Beckman, Matthias Tempel and Peter West have been appointed directors of WEST MERCHANT BANK.



Bill Meng

Going native: the Arabian oryx was extinct in the wild until zoos reintroduced it. Today hundreds roam the deserts of Oman

Profits from preservation

As many US zoos are privatised, **Victoria Griffith** finds them undergoing an ecological awakening

Hanging in the personnel offices of the Franklin Park Zoo in Boston is a poster which reads: "Extinction is forever." At the hot dog stand, a message has been taped to the napkin dispenser: "Please conserve. Save a tree." At the African tropical rain forest exhibit, an entire wall is devoted to explaining the ecological dangers facing rain forests in the world.

Welcome to the modern zoo, a hotbed of environmental activism.

Zoos and aquariums have come a long way since the dark days of cramped cages and disregard for animals in the wild. While the image emanating from Hollywood is still negative – the popular children's film *Free Willy*, about a whale, caused an international furore last year when its decrepit real-life living conditions in Mexico City were discovered – most US zoos and aquariums today are highly sensitive to environmental concerns.

Zoos in the US are now seeking to redefine their ecological role in the face of increasing fund shortages. Since many US zoos and aquaria have been privatised, they are more dependent on their own revenue streams, and are under pressure to set priorities. The challenge will be to continue environmental programmes in a cost-effective way.

"Increased co-operation between international zoos will become more important in the face of severe fund shortages," says Michael Wallace, curator of conservation at the Los Angeles Zoo. Animal conservation will continue to be one of the mainstays of zoos' ecological efforts.

"Zoos went through an awakening on animal conservation," says John Linehan, general curator for the Franklin Park Zoo. "In the past, we'd be happy if the animals had a few babies now and then, to attract the public, but that was the extent of our breeding efforts. Then we started noticing that animals were getting harder to find and more expensive. We realised this great resource we had, and that we could become a major player in animal conservation."

A number of species exist only in captivity, and zoos and aquaria breed these species to prevent extinction. Reintroduction of the animals into the wild is the ultimate goal in many cases, and some zoos have chalked up stunning successes in this area.

The Arabian oryx, a large antelope, for example, was extinct in the wild until zoos began to reintroduce the animal in the 1970s and 1980s. Today, several hundred roam the deserts of Oman. Similarly, the black-footed ferret was successfully reintroduced in Wyoming, and the Sumatra tiger in Indonesia.

There are numerous pitfalls to reintroduction, however. The programmes are extremely expensive to administer, so the number of targeted species must be limited. Moreover, many involved in the industry complain that zoos and aquariums are too often the last-ditch effort.

"Reintroduction from zoo populations is usually a last resort, an after-thought," says Michael Hutchins, director of conservation and science at the American Association of Zoological Parks and Aquariums. "Releasing animals back into the wild would be more effective – and less expensive – if we did it before numbers dwindled to a dangerous level. It's a lot easier to boost the numbers of existing populations than to create a population from scratch."

Zoos hope to correct this problem by becoming increasingly involved in "in situ" conservation – that is, conservation in the wild.

Involving local people is the key to an effective reintroduction programme, say conservationists. Poverty-stricken people understandably see conservation as a luxury, and will often not hesitate to hunt endangered species, or log forest areas necessary for the species' survival. Along the Atlantic coast of Brazil, for instance, locals have been employed as guards and monitors for the golden-eyed tamarin. "The people who are dependent on this animal's survival to make a living become staunch protectionists," says Benjamin Beck of the National Zoo.

Zoos and aquaria also see education as a priority in their preservation efforts. According to AAZPA, whose members had a budget of $825m (£557m) last year, 105m people visited a zoo or aquarium in the US last year. "That gives us a tremendous potential to reach the public," says Hutchins. As an added advantage, educational programmes are relatively inexpensive to administer.

In addition, aquaria are especially good at incorporating animals into their entertainment mix. Marine animal "acts" often include environmental messages. A sea lion at the New England Aquarium, for instance, makes a show of tossing rubbish into the appropriate recycling containers.

While conservation efforts and education will continue, ecological fund-raising at many zoos is likely to be curtailed over the next few years. With limited resources, zoos say they cannot afford to raise money for causes other than their own. So benefits for other wildlife organisations are likely to be phased out. Research is also controversial, with many institutions believing funds are too short to stretch themselves far in that area.

Indeed, the availability of funds over the next few years will help determine the number of environmental projects zoos and aquariums involve themselves in. Environmentalism is important, say zoo officials and managers, but they cannot afford to lose sight of their main function, which is to provide entertainment.

"If people don't have fun, they will stop coming," says Ronald Tilson, director of conservation at the Minnesota Zoo, "and that will be the end of our ecological involvement. While we're worrying about environmental issues we have to make sure that our visitors are having a good time with the animals. In the end, that may be the most important message of all."

Green space in the Tunisian desert

British Gas was obliged to ensure minimum pollution from new projects in Sfax, writes **Robert Corzine**

Tourists seeking a sleepy or swinging Mediterranean resort would be disappointed if they took the turning into the southern Tunisian town of Sfax.

A stinging smog bathes the industrial city, the result of a steady pall of smoke coming from a nearby phosphate plant. A mountain of gypsum, the waste product from the process, dominates the skyline. It is also the source of pollutants which have leached their way through to the nearby sea to kill much of the local marine life.

The casual visitor might think that a new oil derrick or two sticking up above the sprawling town and its hundreds of small metal and furniture workshops and car repair yards would do little to spoil the scenery. Yet local environmental concerns have been one of the strongest influences on British Gas's approach to its second-largest foreign project to date.

The need to persuade sceptical Tunisian officials that British Gas's operations in and around Sfax would not create a new source of pollution to rival the phosphate plant was a constant theme during years of negotiations, according to Jack Barnes, the British engineer who oversaw the company's growing involvement in Tunisia from 1989 until his recent retirement.

British Gas's presence in Tunisia stems from its purchase in 1988 of the international oil and gas assets of Tenneco, the US company. In 1991, it discovered the Rhemoura oil field which underlies Sfax. Offshore oil finds were made in 1992. The company began development work on the £500m offshore Miskar gas field south of Sfax late last year, and expects the first Miskar gas to flow in 1995.

The company's £40m investment in oil production in the area is much smaller than the Miskar project, which includes a large land-based processing plant. But the company knew that the way in which it ran its oil operations would indicate to sceptical local officials how it might handle the much larger and more politically sensitive gas field development.

Producing oil in urban areas has long been a practice in the US, where "nodding donkey" pumping units can be seen in settings as varied as supermarket car parks and behind false building facades in Hollywood. British Gas engineers studied sites in Texas and Florida to help ensure that the operations in Sfax caused a minimum of disruption.

In Sfax, as elsewhere, public concerns centred around possible inconvenience and safety. British Gas held a series of town meetings to explain its proposals. Gaining the support of the regional governor was also a priority, according to Barnes, especially as one of the first exploratory wells was drilled in a field next to his official residence.

There was no local hazardous waste disposal site, so British Gas had to seek its own solution

The long wires needed for seismic testing were laid along streets and alleyways at night and had to be picked up before dawn to avoid people who were going to work. "It was a tedious and cumbersome process," according to William Lehmann, general manager of oil operations. "We had to be particularly careful when doing the thumping" that sends the seismic waves into the ground.

The complex geologic structure of the latest exploration well now being drilled in Sfax required the use of oil-based mud to lubricate drill bits and to carry rock cuttings back to the surface.

There was no local hazardous waste disposal site, so British Gas had to seek its own solution.

The contaminated cuttings are taken to a bio-remediation site the company built south of Sfax, where Joe Frank Dean, a former rodeo cowboy from New Mexico, herds millions of bacteria which eat their way through the toxic particles. The clean cuttings and nutrient wastes are then tilled into nearby farm land.

The process of convincing the Tunisians that British Gas intended to follow the best environmental practices in all its activities extended to arranging visits by leading Tunisian officials to similar British Gas facilities in the UK.

The company even looked at ways in which the mountain of gypsum could be used, going so far as to find a second-hand plant in the US which could be shipped over to convert the waste into road aggregate. But a shortage of cash in Tunisia put paid to the scheme.

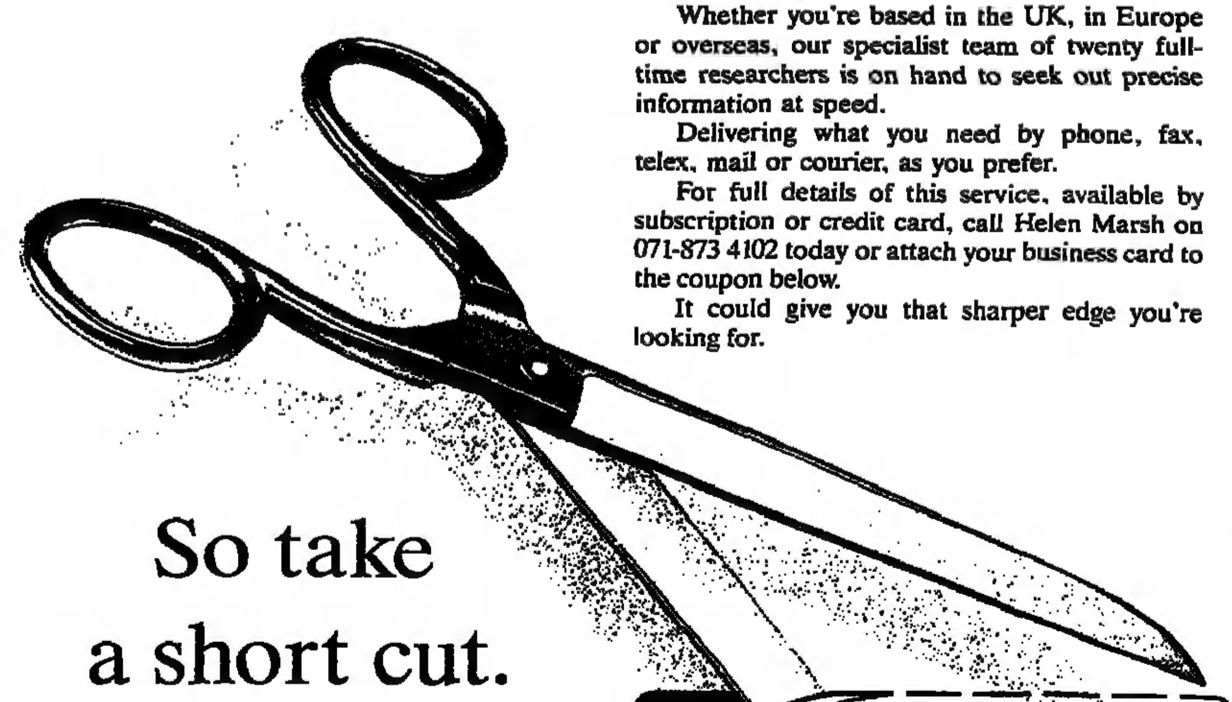
Company officials were determined that no comparisons could be made between the much maligned phosphate plant and its own gas processing facility. A helicopter search of the coast produced a site that promised to be as inconspicuous as possible. The plant, hidden from the main coastal road by a small hill and a belt of olive trees, will occupy only 15 ha of the 69 ha site.

It is at the Hannibal processing site, however, that British Gas's environmental strategy came unstuck, although ironically in a way which is unlikely to raise many local concerns.

The "sour" gas from the Miskar field contains large amounts of sulphur, carbon dioxide, nitrogen, and liquid condensates which require lengthy processing to remove. The extracted sulphur and condensates will be sold separately from the clean gas.

But British Gas engineers were stumped when they looked for economic ways in which to dispose of the carbon dioxide, a suspected greenhouse gas. Re-injection of the gas was considered, but there were serious doubts about the technology involved and worries that the cost would make an already marginal project uneconomic, according to Richard Hart, operations manager.

The result is that 1.10m cu m of carbon dioxide – a "fair amount" concedes Hart – will be released into the atmosphere each day.



Concert

Schumann and Friends

Mini-festivals are not often so neatly planned as "Schumann and Friends", which is the brainchild of Raymond Leppard. Four Barbican concerts with the English Chamber Orchestra, each including one of Schumann's symphonies, filled out with less familiar pieces by him and with a wide variety of music by friends and influential contemporaries: Mendelssohn, Brahms, Weber, Hummel, Berlioz, Paganini. A judicious banquet, in fact.

On Monday the first concert – also broadcast on Radio 3 – showed him in characteristic form. Generally brisk, unhesitating tempi, a strong sense of continuity, a light touch that can become incisive but never strenuous; also a certain shyness about Romantic expression, except where he has decided to mould a passage with deliberate art.

He did that, for example, in the Larghetto of the First Symphony, which sounded unspontaneous and slightly arch. The ECO strings, not at their most polished here, might have achieved a more natural flow with an extra rehearsal. On the other hand, his way with the Scherzo was very fetching. Taking Schumann's "molto vivace" at full value, he gave the main dance a headlong sweep, almost falling over itself with excitement (often it seems a more heavy-booted affair), while the contrasted Trio sections were suddenly relaxed, cosy, even playful.

As a whole span, the symphony boasted a convincing gleam. So too Brahms's evergreen "Haydn" Variations, with any hint of village-band pomposity scrubbed away, enhanced by an uncommon air of delicate introspection – true to Brahms, of course, but usually underplayed in this work.

The novelties in the programme both had the American clarinettist Richard Stolzman as soloist, joined by Thea King's basset horn in Mendelssohn's indulgent little *Konzertstück*. Mendelssohn himself described it as "noodles with cream", which is just how it sounded: long, glutinous strands of duetting in thirds, with conventional roulades assigned to each soloist in turn. Charmingly played, it fell pleasantly upon the ear, but once was enough.

Weber's E-flat Concerto offered Stolzman far more opportunities for deploying his fabulously subtle tone-colours and his genius for imaginative phrasing – most of all in the Romance, which is really a rich concert-aria, complete with hushed, dramatic recitative. The concerto also has sustained bursts of mechanically brilliant virtuosity, in which even Stolzman slipped twice or thrice in the effort of keeping up. But the heart of the performance was in his fanciful expressive insights, and those were breathtaking.

David Murray

Remaining concerts: February 4,5 & 8

Television/**Christopher Dunkley**

Some serious questions of taste

Why do we like – no, love – the operas of Verdi and Puccini? Because they convey romantic and engrossing stories at a high emotional pitch, expressed in a succession of glorious, often unforgettable, tunes; tunes which allow opera singers to display their talents in a way that we not only admire but find heart-stoppingly beautiful.

What makes anybody imagine that new operas can reject all this and still be attractive to opera lovers? Or is it not Channel 4's purpose with its series of new 60-minute operas, specially commissioned for television, to attract opera lovers? In which case, who do they want to attract?

The first of these new works on Sunday, *The Empress*, looked a bit like a pop video so perhaps the idea was to attract the children who watch the satellite pop channel, MTV. But even pop songs tend to have memorable melodies. The colours were of the primary, paintbox, sort which we used to see on *Playschool* and the costumes, er, striking. The story, "based on a little known 1890 work, *The Empress Of Newfoundland*, by the German playwright Frank Wedekind" was pretty weird: a princess gets her rocks off by watching a Schwarzenegger type lift increasingly heavy weights; he gets tired of this, steals from her, and flees to a lowlife bar; she pursues him and then cuts her throat with a meat cleaver.

What was there here to entertain? No tunes, no humour, nobody with whom to sympathise, nothing even to like, let alone love. It seems from the promotion that we are supposed to be terrifically impressed with a television channel that commissions original opera (gosh how highbrow) but if this is the result, the money might as well be spent on mindless game shows.

★

It must be nearly time for this column to take another look at the general condition of television comedy. Judging from BBC2's sequence of pilots, *Comic Asides*, things are in a pretty poor state. Perhaps the creators of *The High Life* about stewards on a Scottish airline, *Woodcock* about life in Nelson's Royal Navy, *The Last Word* about an arrogant journalist, and *The Honeymoon's Over* about a chronically argumentative couple, all slaved night and day to polish their scripts and hone their jokes. That is not the way they seemed, however. Most of them, most of the time, looked like ideas scribbled down on the back of an envelope in a lunch break and submitted on the off-chance that somebody would be desperate enough to commission a whole series.

★

The comedy which was much admired here and swept the board at last year's award ceremonies, *Absolutely Fabulous* has returned for a second series. Could it be that because of the huge success and the decision to transfer from BBC2 to BBC1, the creator of the series, Jennifer Saunders, has been given bigger budgets, and could that explain the appearance of crowds of guest "personalities" in the opening episode of Series 2? The first series had not led us to expect Helena Bonham Carter, Mandy Rice-Davies and Suzi Quatro all in one dream sequence. Fashion slave Edi (Saunders herself) and the gorgeous lush Patsy (Joanna Lumley) are still two of the strongest characters anywhere in current television comedy, and Lumley's hobbling walk when welcoming the reporter from *Hello!* magazine was the funniest sight of the week. But this episode did seem glossier, less like a self-contained mad world than before. Perhaps it is just a question of familiarity.

We are supposed to be impressed with a TV channel that commissions opera but if this is the result, the money might as well be spent on mindless game shows

★

Even a television critic can hardly spend his wife's birthday stuck on the old green sofa in front of the box, but what is there in the London theatre that would make a suitable outing? *An Absolute Turkey* sounds likely: Feydeau farce directed by Peter Hall, starring Felicity Kendal and Griff Rhys Jones, recently opened to rave reviews. Sure enough Kendal is simply splendid, and you can feel the entire male section of the audience falling in love with her. Moreover, although this is an 18-strong cast (enormous in the West End these days) there is not a single weak link. The art nouveau sets by Gerald Scarfe are far more impressive than his cartoons.

We enjoy ourselves. But so we should: our two seats at the back of the stalls cost £44, which would pay the television licence fee for more than six months. The price of two glasses of wine and a programme take the total above £50. Furthermore, although there is of course the matchless atmosphere of live theatre, to habitual viewers of modern television comedy the plotting here does seem remarkably primitive and the comedy very basic knockabout stuff. True, this was written 98 years ago, but we should acknowledge that style and pace have moved on. The gag rate in *Drop The Dead Donkey* or *Fawlty Towers* is much higher than in *An Absolute Turkey*.

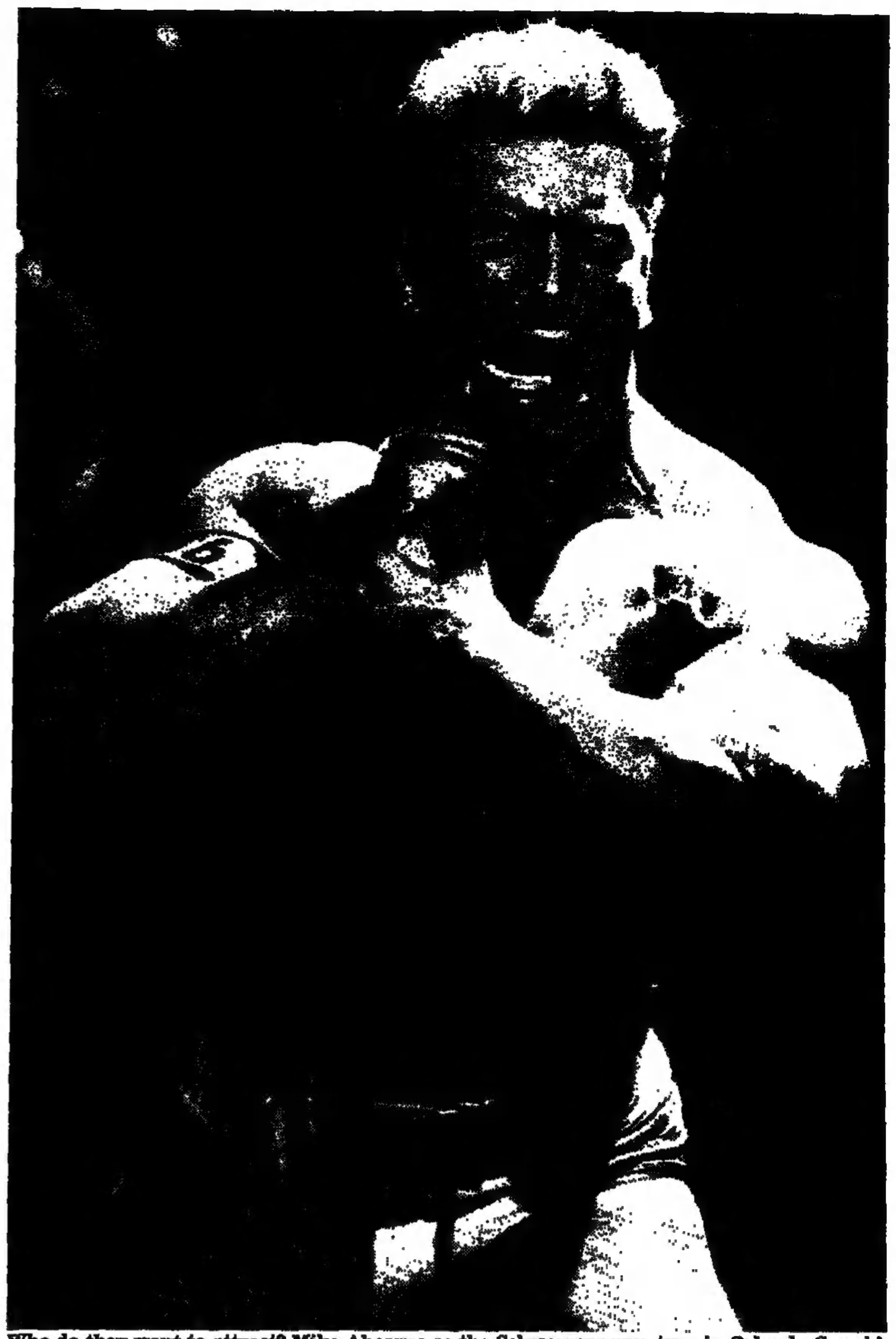
★

One of television's most entertaining new series for a long time is not a situation comedy but an American import on Channel 4 called *The Unpleasant World Of Penn And Teller*. Some viewers will loathe this gaff-blowing conjuring programme: live rats caged over a man's face (a trick known as "Room 101") and a white rabbit seemingly being fed through an agricultural shredding machine are not everybody's cup of tea. But if you enjoy American showbiz chutzpah, and find traditional magic series a bit ponderous, you may enjoy the almost contemptuous way in which these two men send up their predecessors and competitors. Last week they showed us how to use a miniature carton of coffee whitener for an "exploding eyeball" trick – and then had the studio audience do it en masse: ghastly, but hilarious.

★

The trend towards "infotainment" continues with the launch on BBC1 of *How Do They Do That?*, a 45-minute programme on Tuesdays which combines the "Just Fancy That!" element of the old tabloid press with the educational instincts of Victorian boys' books. The opening programme showed us how stunt arrangers achieved the effect of Desmond Lynam, the main presenter, leaping out of a helicopter and crashing through the roof of Television Centre into the studio, how doctors sewed back a policeman's hand after it had been severed with a sword, and how Australians spent $7m on an American lottery to win $27m. The programme has been greeted with some scorn, but it is well enough done (though I was more baffled at the end of the lottery item than at the beginning). Lynam is a pleasant and highly professional presenter, and – provided the BBC continues to make *Newsnight, Horizon, Assignment* and other serious current affairs programmes – it is difficult to see why they should not do this sort of thing if viewers want it. Just don't look for any more reviews on this page.

The grammar in television news trailers, especially the way in which tenses are used, becomes increasingly absurd. Recently Alastair Stewart announced: "In 50 minutes on *London Tonight* two children are killed by their mother. We ask..."



Who do they want to attract? Mike Ahearne as the Schwarzenegger type in Orlando Gough's 'The Empress', one of the 60 minute operas commissioned by Channel 4

A composer who takes his time

Max Loppert visits Paris to review the latest work by Pierre Boulez

For Pierre Boulez, composition has in recent years meant as much re-composition as brand-new invention. The few works issuing from this most fastidious of musical pens have all been premiered in a form best described as provisional – either admittedly incomplete, or else with an attached health-warning to the effect that further elaborations of the same material should be expected in the future.

There have been two principal ways of viewing this process of slowed-up creation, in an artist who in his younger days seemed the unstoppable figure of French music: avant-garde iconoclast and prime minister all in one. The first is that it stood for a creative impasse – which, along with his development into one of the world's most sought-after conductors and his foundation in 1974 of IRCAM (the Paris Beaubourg electro-acoustic laboratory), Boulez was, with his endless compositional self-examination, attempting to circumvent.

The second is that it marked for him a way of freeing himself from that very impasse, itself the product of the avant-garde doctrines, dogmas and prohibitions of the early post-war years – all self-generated – that had threatened to land him in a creative dead end.

It would no doubt be highly improper to use the account of *...explosante/fixe...* which this week the Ensemble InterContemporain gave at the Paris Châtelet – in a form announced as "dernière" – to produce a final verdict on the *cas Boulez*. The temptation is strong, all the same, for the impact of the music, exquisite, effervescent, and wonderfully beautiful, was not to be related to any artistic cul-de-sac.

A necessarily simplified history of what is now 30 minutes and three movements long is in order. The work started life, in 1972, as one of the tributes to the recently-dead Stravinsky published in *Tempo* – a page of instrumental solo-parts which could be put together in various ways. Initially, Boulez fixed a version for three wind-instruments; soon he put together longer ones, more fully scored, and electronic means began to enter into the scheme.

The final version of '... explosante/fixe...' makes nonsense of any notion of sterility

A chain of small pieces composed in the 1980s has now been connected up to the earlier *...explosante/fixe...* material: *Mémoriale* for flute and small ensemble, *Anthèmes* for solo violin, a piece for vibraphone written for the 80th birthday of the conductor Paul Sacher. The basic original idea was that "explosions" of musical matter, such as the work's "signature" of fast-skittering flute above a chattery ensemble, are pinned into shape by variation-forms within a fixed compass of notes.

Now that the final linkage has been achieved, the artistic seamliness of the conception can be heard and felt to filter through the whole format. An exotic, weightlessly sensuous character – which pairs this "late" Boulex with an early work like *Le Soleil des eaux* – shines equally through the Messiaen-like melodic unisons, with their flicks of oriental decoration, and the witty spurts of catch-as-catch-can between groups. The electronic element, whose sudden enlargements of perspective arrive with extraordinary subtlety, underpins the basic conceptual contrast. The finale, based on *Mémoriale*, slows for reflection the previous propulsive outpouring.

In sum, the final version of *...explosante/fixe...* represents the fruition of a patiently explored idea making nonsense of any notion of Boulezian sterility: in the most flattering Mae West sense, this is a composer who takes his time!

Boulez the conductor, taken ill shortly before the concert, ceded the baton to the excellent David Robertson, the Ensemble's musical director. The London South Bank Centre aims to programme the piece in next year's planned electronic weekend; a long time to wait! I hope those plans also include a slot for the work filling the first half of this Châtelet concert – *La Partition du ciel et de l'enfer* ("The Score of Heaven and Hell") by Philippe Manoury (b. 1952), a 45-minute voyage between precisely depicted spheres symbolising Jupiter, Neptune and Pluto.

In a manner very different from Boulez's – bolder in gesture, more grandiose in instrumental groupings – this piece demonstrated again the best aspect of IRCAM-devised electronics. Indeed, the textural sheen, wide range and sophisticated delicacy of Manoury's musical imagination proved light-years distant from the plink-plonk sounds which too many ordinary music-lovers still associate with the domain of Electronic Music.

INTERNATIONAL ARTS GUIDE

■ BONN

Oper Tonight, Sun: Gian-Carlo del Monaco's new production of Les Contes d'Hoffmann, with Marcus Haddock in title role. Fri, Mon: Prokofiev's ballet Cinderella staged by Valery Panov. Sat, Tues: Yuri Lyubimov's production of Jenufa (0228-773667)

■ BORDEAUX

Palais des Sports Tonight, tomorrow: Alain Lombard conducts Orchestre National Bordeaux Aquitaine in a programme of Richard Strauss tone poems. Feb 13-27 at Grand-Théâtre: Die Zauberflöte (5648 5854)

■ COLOGNE

Philharmonie Highlights of this month's programme include performances by Heinz Holliger tonight, Murray Perahia on Sun, Mon and Tues, Gidon Kremer and Martha Argerich on Feb 16, Simon Rattle and the Orchestra of the Age of Enlightenment on Feb 18, José Carreras on Feb 23 and Ivo Pogorelich on Feb 24 (0221-2801)
Opernhaus Tonight's performance is Harry Kupfer's new production of Shostakovich's The Nose (repeated Feb 5, 9, 11, 16). Fidelio is revived on Feb 18 with Ben Heppner as Florestan (0221-221 8400)
Schauspielhaus This month's repertory includes Günter Krämer's radical version of Fiddler on the Roof, Chekhov's The Seagull and Shakespeare's As You Like It (0221-221 8400)

■ DRESDEN

Semperoper Highlights of this month's opera programme are Elektra with Gwyneth Jones tonight and Sat, Der Rosenkavalier with Felicity Lott next Wed, and a revival of Fidelio conducted by Colin Davis on Feb 20, 24 and 27. James Levine conducts a Staatskapelle concert next Tues featuring works by Schumann, Beethoven and Dvorak, with piano soloist Maria Joao Pires. Colin Davis conducts the annual memorial concerts at the Kreuzkirche on Feb 13 and 14, the anniversary of the 1945 destruction of Dresden by Allied bombing (0351-484 2323)

■ DUSSELDORF

Deutsche Oper am Rhein Tonight, Tues: Cosi fan tutte. Sat, next Thurs: Arabella. Sun: Turandot. Wed: La boheme (0211-890 8211). Duisburg Theatre has Salome tomorrow, Le nozze di Figaro on Sat and L'incoronazione di Poppea next Wed (0203-300 9100)
Schauspielhaus The main event this week is the first night on Fri of a new production of Lorca's The House of Bernarda Alba, directed by Kazuko Watanabe. Repertory also includes Die Fledermaus, Romeo and Juliet and Troilus and Cressida (tickets 0211-369911 information 0211-162200)

■ FRANKFURT

Schauspielhaus Tonight, Fri, next Mon and Thurs: William Forsythe's ballet Alien Action (069-2123 7444)
Alte Oper Tomorrow, Fri: Yan Pascal Tortelier conducts Frankfurt Radio Symphony Orchestra in works by Dukas, Ginastera, Tomasi and Berlioz. Sat: André Previn conducts London Symphony Orchestra in Beethoven and Brahms, with violin soloist Frank Peter Zimmermann. Sun: Scottish folk festival (069-134 0400)
Oper Fri, Sun: Il barbiere di Siviglia. Sat: Die Fledermaus. Feb 13: first night of new production of Janacek's From the House of the Dead (069-236061)

■ HAMBURG

Staatsoper Tonight: new Ravel ballet trilogy, choreography by John Neumeier (repeated Feb 11, 12, 14, 18, 19). Tomorrow, Sat: La boheme with Veronica Villaroel as Mimi. Fri, Sun: choreographies by Seibel, Neumeier, Ek and Van Manen. The next new production is Hans Werner Henze's Die Bassariden, first night Feb 20 (040-351721)

■ LEIPZIG

Gewandhaus This month's highlights include Gewandhaus Orchestra concerts tomorrow and Fri conducted by Neville Marriner, a recital by Montserrat Caballé on Feb 13, and a Liszt and Mendelssohn programme conducted by Kurt Masur on Feb 24 and 25 (0341-713 2280)
Opernhaus A new production of Don Giovanni, conducted by Jiri Kout and staged by John Dew, opens on Feb 12. Repertory includes Boris Godunov, Die Zauberflöte and two Uwe Scholz ballets (0341-291036)

■ LILLE

Nouveau Siècle Tonight: Yehudi Menuhin conducts Orchestre National de Lille in symphonies by Schubert and Beethoven. Sat: Hiroyuki Iwaki conducts Szymanowski and Tchaikovsky, with violin soloist Pierre Amoyal. Sun morning: string quintets by Schubert and Onslow. Feb 12-20 at Opéra: Un ballo in maschera (2012 8240)

■ LYON

Auditorium Tomorrow: Emmanuel Krivine conducts Orchestre National de Lyon in works by Blacher, Prokofiev and Schumann (7860 3713)
Opéra Fri, Sun, next Wed, Fri, Sun: revival of Louis Erlo's arrangement of Les Contes d'Hoffmann. Tues: Thomas Hampson song recital (tel 7200 4545 fax 7200 4546)

■ MONTE CARLO

Salle Garnier The Monte Carlo Opera's next production is Cosi fan tutte on Feb 9, 11 and 13. Salvatore Accardo conducts a staging by Dieter Kaegi (tel 9216 2299 fax 9330 0757)

■ MUNICH

Staatsoper Tonight: Don Giovanni with Thomas Hampson and Jane Eaglen. Tomorrow, Sun: Peter Schneider conducts Tom Cairns' new production of Un ballo in maschera, with Julia Varady, Dennis O'Neill and Wolfgang Brendel (repeated Feb 9, 12, 16). Fri: Cav and Pag, starring Agnes Baltsa, Vladimir Atlantov and Piero Cappuccilli. Sat: Peter Wright's production of Giselle. Mon, Tues: Michael Tilson Thomas conducts Bavarian State Orchestra in works by Berlioz, Copland and Bartok (089-221316)
Gasteig Tonight, Fri, Sat: Günter Wand conducts Munich Philharmonic Orchestra in Beethoven's First and Third Symphonies. Tomorrow: André Previn conducts London Symphony Orchestra in symphonies by Brahms and Shostakovich. Feb 10, 11: Kurt Sanderling conducts Bavarian Radio Symphony Orchestra (089-4809 8614)

■ OSLO

Konserthus Fri: Ole Kristian Ruud conducts Trondheim Symphony Orchestra, with soprano Pamela Coburn. Next Tues: Dmitri Kitaenko conducts Bergin Philharmonic Orchestra, with cello soloist Truls Mork. Feb 11: Sinopoli conducts Mahler (2283 3200)

■ STOCKHOLM

Royal Opera Tonight, next Mon: Cav and Pag. Tomorrow: Cosi fan tutte. Fri, next Tues: La traviata with Lena Nordin as Violetta. Sat afternoon: Lohengrin with Gösta Winbergh in title role (tickets 08-248240 information 08-203515)
Konserthuset Tonight: Alban Berg Quartet plays string quartets by Haydn, Berio and Dvorak. Tomorrow, Sat afternoon: Niklas Willen conducts Royal Stockholm Philharmonic Orchestra and Chorus in concert performances of Die Frau ohne Schatten, with cast headed by Helena Doese, Jane Henschel, Thomas Sunnegardh and Bernd Weikl (tickets 08-102110 information 08-212520)

■ STRASBOURG

Palais de la Musique Tonight: Theodor Guschlbauer conducts Strasbourg Philharmonic Orchestra in works by Weber, Pierné and Mendelssohn. Feb 10, 11: Vaclav Neumann conducts Dvorak and Brahms (8852 1845)

■ STUTTGART

Staatstheater Stuttgart Ballet presents its version of the Richard Rodgers musical On Your Toes daily till next Tues. Repertory for the rest of the month includes La boheme, Rigoletto, Don Giovanni and Maurice Béjart's choreographed version of Die Zauberflöte. The Kleines Haus has Herbert Wernicke's acclaimed adaptation of Die Fledermaus (0711-221795)

ARTS GUIDE

Monday: Berlin, New York and Paris.
Tuesday: Austria, Belgium, Netherlands, Switzerland, Chicago, Washington.
Wednesday: France, Germany, Scandinavia.
Thursday: Italy, Spain, Athens, London, Prague.
Friday: Exhibitions Guide.

European Cable and Satellite Business TV

(Central European Time)

MONDAY TO FRIDAY
Super Channel: European Business Today 2230; repeated 0830, 0715
MONDAY
Super Channel: FT Reports 1230.
TUESDAY
Super Channel: West of Moscow 1230
Euronews: FT Reports 0745, 1315, 1545, 1845, 2345
WEDNESDAY
Super Channel: FT Reports 1230
THURSDAY
Super Channel: West of Moscow 1230; FT Reports 2130
Euronews 0745, 1315, 1545, 1845
FRIDAY
Super Channel: FT Reports 1230
Sky News: FT Reports 2030
SATURDAY
Sky News: 0330; 1330
SUNDAY
Super Channel: FT Reports 2230
Sky News: FT Reports 1730; 0430

Edward Mortimer

Better part of valour

Nato should discriminate between central Europe and central Asia

Three weeks ago in Brussels the leaders of the Atlantic alliance declared that they "expect and would welcome Nato expansion that would reach to democratic states to our east as part of an evolutionary process". But they neither set a timetable nor named any potential new members.

Instead the alliance, like some *belle dame* of Arthurian legend, invited her suitors to enrol in a new order of knights, to be called "Partnership for Peace" (PFP), and to prove themselves by deeds of valour and chivalry.

Each knight must propose exploits of his own choosing for the alliance's approval. Some knights will offer to host grand tournaments, or "exercises", on their ancestral lands. Others will send young squires to ride behind Nato's seasoned champions and receive instruction in knightly conduct. Others, from the far north, will show off their prowess in peacekeeping. And some will redesign their crossbows and lances to meet Nato specifications. (Those who offer to re-equip Nato's own arsenals at low cost, however, may meet a rather cool reception.)

Which of these exploits, if any, will win the lady's fair hand? She is not saying. In the best traditions of romance, the knight must be sustained in his ordeal by blind devotion to his chosen damsel, not by any certainty of reward.

At first sight, the new Partnership is but the old NACC (North Atlantic Co-operation Council) writ large. One anomaly has been removed, in that PFP is open to formerly neutral and non-aligned European countries as well as to Nato's former adversaries. Otherwise it is hard to see what can be done under the new heading that could not have been done under the old. PFP, for all the grand rhetoric it has been wrapped in, is transparently a device for gaining time, for postponing invidious choices.

No doubt it is true that would-be Nato members in central Europe are not yet "ready" for membership. That is, their forces are not equipped or trained for service in the integrated Nato command. The political and strategic implications of stationing allied forces on their territory have not been fully considered. Their democracy may be in some respects imperfect and fragile. Some of them have unresolved minority problems, which may render them vulnerable to subversion or embroil them in conflict with their neighbours.

But to suggest that all those problems have to be resolved before a political decision about membership can be taken is to rewrite the history of Nato itself. Few if any of the present members would have qualified by those standards in 1949.

It should be clear that the countries identified as future members of the EU are now part of the west

The leaders of that time, infused with a stronger sense of urgency and purpose than their successors today, took the political decision first. They resolved, in the North Atlantic Treaty, "to unite their efforts for collective defence and for the preservation of peace and security". They agreed that an armed attack against one of their countries should be considered an attack against them all, and that if such an attack occurred each of them would assist the party attacked "by taking . . . such action as it deems necessary, including the use of armed force".

Only later did they take specific military measures, including the creation of the integrated command, to deal with what they saw as a specific military threat. The treaty provided a framework within which to do that.

Similarly if Nato were expanded now there would be time for its members, old and new, to sit down together and make a cool, rational assessment of the threats they face, and to devise an effective strategy for countering those threats. The new members would no longer suspect the old ones of minimising the threat in order to avoid taking on new commitments; and the old members would no longer suspect the new ones of maximising it in order to bounce them into a guarantee, since they would already have given one.

The only serious argument against admitting new members to Nato now is the one given by US President Bill Clinton in Brussels on January 9. It would be wrong, he said, "to draw a new line between east and west that could create a self-fulfilling prophecy of future confrontation".

While it might be comforting for those included, it would increase the sense of isolation or alienation among those excluded. This applies not only to Russia, but perhaps even more forcefully to other ex-Soviet republics, which would see themselves thereby consigned to a *de facto* Russian sphere of influence. Ukraine in particular, while sharing the strong sense of insecurity that makes its western neighbours clamour for Nato membership, is quite explicit about its hopes that they will not succeed, since it knows it has virtually no chance of following suit.

Certainly "drawing a line" should not mean renouncing all interest in the area beyond it. The principles of the UN charter would still apply, and no one should imagine that acts of aggression against other ex-Soviet republics by Russia, or any other power, would not have very serious consequences for that power's relations with the west.

But western determination to defend the new-won freedom of central Europe should be of a different order. The countries of central Europe have already been identified, by last year's Copenhagen summit, as future members of the European Union. It should be clear that those countries are now part of the west, and that Russia will never again be allowed to turn them into satellites against their will, no matter how future relations between Russia and the west turn out.

A tough climb in Silicon Glen

James Buxton asks if the Scottish electronics industry is equipped for long-term survival

Elegant electronics factories set in landscaped parkland, producing personal computers, mobile telephones or microchips, have replaced smokestack industries such as steel and shipbuilding as the mainstay of Scotland's manufacturing industry.

For the government, the Scottish electronics industry is one of its successes of industrial policy. It accounts for 40 per cent of Scotland's exports.

But questions are being raised about whether Silicon Glen has the resilience to survive changes sweeping the international electronics industry. Critics charge that it is an artificial creation, consisting largely of branches of foreign-owned companies lured in by government grants, and showing little capacity for spontaneous growth. After expanding by an average of 16.5 per cent a year in the 1980s, the industry's output has not grown since 1989.

Its weaknesses have been crystallised in a recent report by Monitor, the US management consultancy, which warned that if nothing were done to strengthen the industry plants would close or contract and employment might, as early as 1997, fall to about 27,500 from its present 45,300.

The report has produced alarmist headlines, and the gloomy findings were probably overdone. But Mr Alastair Macpherson, former head of the electronics division at the now defunct Scottish Development Agency, the government's economic regeneration organisation, says: "What the report said couldn't have come as a surprise to anyone. All that's happened is that it is no longer taboo to talk about problems which were recognised in the late 1980s. What's needed is a change in government policy."

In the past four decades the government's policy has been to encourage inward investment by global companies such as IBM and Compaq, which make personal computers, Motorola, which makes mobile telephones and microchips, Digital (computers and microchips) and NEC (microchips). They have regarded Scotland as a relatively low-cost manufacturing base for the European Union market.

But few of these multinationals carry out research, development and marketing in Scotland. The main exceptions are NCR, which makes cash dispensers in Dundee and markets them worldwide, and Hewlett-Packard, which develops telecommunications testing equipment in South Queensferry. In addition, few of them have significant links with indigenous Scottish suppliers, which have won only 12 per cent of the market for subcontracting and components.

The Monitor report, commissioned by the SDA's successor, Scottish Enterprise, says the Scottish electronics "cluster" is thus weaker than those of some other countries. Unlike, for example, in Singapore or Ireland, the UK government has not picked particular subsectors, such as software, and encouraged companies which concentrate on them.

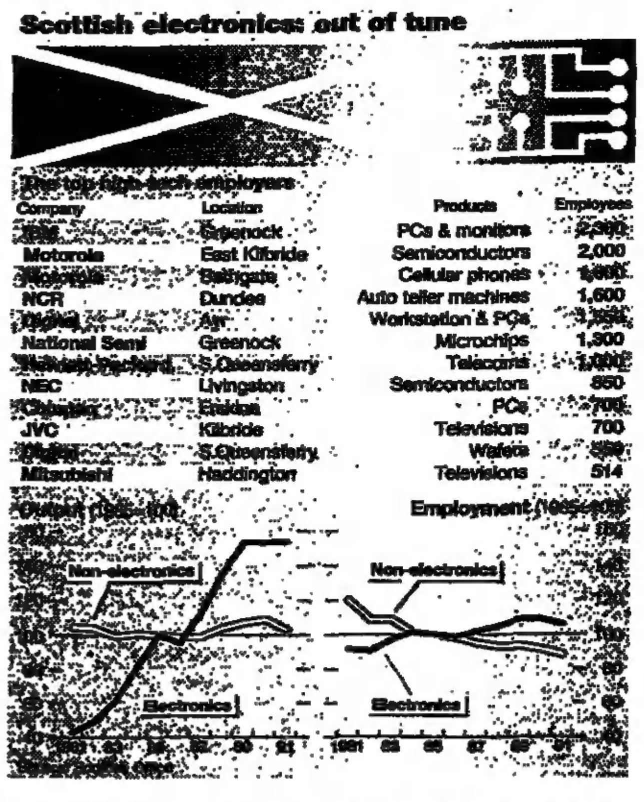
The report adds that companies, universities and investors, such as venture capitalists, have not been integrated in the type of network that has generated innovation in Silicon Valley, California, or Massachusetts. This, it says, has meant the region has lacked the ability to respond to market opportunities.

Further, the consultants believe, global trends are working against Scotland. As product life cycles shorten, software is becoming more important in product design. But Scottish industry is heavily oriented towards hardware.

Not only does the Scottish electronics industry have structural weaknesses, but the report suggests it cannot rely on a fresh influx of investment to fuel future expansion. It will face strong competition from low-cost manufacturing bases in eastern Europe, while development of Scotland's transport and telecommunication links may have lagged behind other parts of western Europe.

The picture, based on research carried out in 1992 and 1993, may be unduly pessimistic. Foreign companies are still setting up in Scotland: Exabyte, which makes computer tape systems, last week announced plans to open a factory employing 100 in Falkirk, central Scotland. In spite of difficulties at its parent company, IBM's Greenock plant is not shedding labour; and Compaq is taking on 250 extra staff at its plant near Glasgow.

Scottish electronics: out of tune



The top high-tech employers

Company	Location	Products	Employees
IBM	Greenock	PCs & monitors	2,300
Motorola	East Kilbride	Semiconductors	2,000
Motorola	Bathgate	Cellular phones	[illegible]
NCR	Dundee	Auto teller machines	1,600
Digital	Ayr	Workstation & PCs	[illegible]
National Semi	Greenock	Microchips	1,300
Hewlett-Packard	S.Queensferry	Telecoms	1,000
NEC	Livingston	Semiconductors	850
Compaq	Erskine	PCs	700
JVC	Kilbride	Televisions	700
Digital	S.Queensferry	Wafers	[illegible]
Mitsubishi	Haddington	Televisions	514

Mr John Dolan, Compaq's head of European logistics, says: "A lot of multinationals have improved their productivity since Monitor came to Scotland, and if it came back now, it would revise its opinion."

A mark of the seriousness with which the Scottish electronics industry views its problems was an agreement by local branches of multinationals to co-operate with each other and with indigenous companies in setting up the Scottish Electronics Forum in October 1992. Their objective is to strengthen the industry.

Co-operation of this kind is unprecedented in Scotland. But Mr John Ward, the resident director of IBM in Scotland and chairman of the SEF, says that intensified global competition means that a multinational plant in Scotland must compete for survival against other plants in the same group.

"It is in the interests of a plant in Scotland to strengthen its links with local suppliers and win as much product development work as possible in order to differentiate itself from the company's other plants," he says. "So anything that can be done to improve the Scottish electronics industry should help the SEF's individual members."

The SEF's 30 members include multinationals and smaller local companies. It is addressing problems common to all members – such as occasional blips in the local electricity supply. It is also looking at how members could share training of junior employees to avoid duplication; build better links between assembly plants and subcontractors; and exploit the research work of Scottish universities.

But despite the goodwill behind the SEF, it is evident that the multinationals may go only a little way towards full co-operation in an attempt to revive the industry. Mr Ward acknowledges that multinationals will make strategic decisions according to their own interests.

If the indigenous companies have to spur a revival, the record is not encouraging

If it is up to the indigenous companies to spur a revival, the record is not particularly encouraging. Multinationals provide big opportunities for local companies to assemble products under contract, but only two or three Scottish companies have exploited this market on a large scale.

Many in the electronics industry believe the government itself should do more to remedy the weaknesses of the electronics industry. One is Mr Martin Ritchie, who runs Spider Systems, an Edinburgh-based company with £20m turnover which designs its own computer networking systems. He says government policy is skewed towards encouraging foreign companies to set up new plants.

"I might, with a great deal of effort, be able to get a £100,000 grant from the Department of Trade and Industry to develop a new product. But if I was a foreign company promising to create several hundred jobs in Livingston I might get £4m."

Mr Finlay Mackenzie, a retired manager of Hewlett-Packard's South Queensferry plant, says the government ought to encourage multinationals to put down deeper roots by giving them financial incentives for R&D. He says the Queensferry plant is a good example: "It is dependent on British brains; it is not something that can be whisked away at the whim of someone elsewhere in the company."

So far there is no sign that the government is planning to change its approach to inward investment. Mr Ian Lang, Scottish secretary, says the report is "helpful" but adds that "better founded predictions can be made". He has left it to Scottish Enterprise and the SEF to deal with the specific threats to the industry.

But warnings about the future of Silicon Glen have led many in the industry to believe that the government needs to rethink its attitude to inward investment, to focus less on job creation in the short term and more on building a sustainable industry that can prosper in the longer term.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Rover: defeatism and short-termism

From Mr John Wiltshire.

Sir, Your editorial, "Don't cry over Rover" (February 1), is incredibly complacent and defeatist. It is complacent because if you had bothered to read the article, "A sudden burst of acceleration", adjacent to your editorial you would have noted that one of the sad conclusions of the writer is that the replacement for the Rover 800 will be based on a five-series BMW platform. As a result it is clear that future research and development will be concentrated in Germany, so Rover car production will inevitably become an assembly unit. BMW will concentrate resources in Land Rover since it is clear that it is this aspect of Rover which the German carmaker wants.

You are defeatist in suggesting that Britain does not have a viable future in important areas of production. I find this a disturbing conclusion and I would suggest that if, say, General Motors attempted to purchase BMW the whole of Germany would be up in arms and such a proposed sale would never go through.

I have purchased Rover cars for the last 10 years; whether I will continue to buy a German Rover is another matter.

John Wiltshire,
193 Burnt Oak Lane,
Sidcup, Kent DA15 9BW

From Mr S W de Looze.

Sir, So Rover is to be sold to BMW, just a few years after it was "rescued" by British Aerospace. The statement from BAe, at the time of purchase, that there was much synergy between aerospace and car manufacture rang hollow then and subsequent statements that Rover was a core business ring hollow now.

All the talk about BMW investing in Rover and possible resurrection of the "great names" from the past is probably just that. It is designed to minimise the outcry. Take Ford and Vauxhall as examples. Gradually, the engineering and design skills have been moved out of Britain and into Germany/US leaving Britain as little more than a location for low-cost assembly. The trouble with low-cost countries is that there is always another one coming up behind and companies have few qualms about shifting production elsewhere to remain competitive.

Nobody is denying that the history of Rover/BLMC/BL/BMC is littered with mistakes and gross negligence, nor that much remains to be done (three of its models – the 800, the 200/400 and the Metro – are overdue for replacement). Nevertheless, Rover appears to be sound and worthy of further investment. That it should be starved of such investment by BAe shows up the latter's problems more than it does Rover's. I make no apology for saying that Rover should remain under British control.

Once again, the failings of this administration and of the City are shown up. The mindless pursuit of short-term profit and cash to satisfy the latest five-year corporate plan and "vision/mission statement" is distinctly at odds with managing for the long term. It is left to the Germans, the French and the south-east Asians not only to have a long-term vision but to hold to that vision and to ensure that, come the end-game, they will be around. Regrettably, Britain will not be and I despair of our prospects.

S W de Looze,
2 Gables Close,
Gerrards Cross, Bucks SL9 0PR

From Mr F K C Pike.

Sir, Some feelings might be soothed if BMW were quoted on the London Stock Exchange, so that those of us who might wish to continue our participation in the good fortunes of Rover could do so.

F K C Pike,
Knighton House,
Ferry Road., Studland,
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Market fear more likely a phobia

From Dr Ivan Cohen.

Sir, Richard Waters' article on the structure of the US stock market ("The price of a share in the cake", January 31) provided an interesting view on the problems arising as a result of market fragmentation.

However, I would suggest that "a far-reaching fear. . .that if the volume of share trading is divided among an increasing number of arenas, the efficiency of the market will eventually be undermined" is more truly a phobia.

Surely if shares in a given company are traded on several arenas then arbitrage will occur to the extent that all arenas in toto will act as efficiently as if they were a single market. After all, isn't this what happens to a large degree with the markets for international currency?

Ivan K Cohen,
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Advice only for more affluent reader

From Mrs Madeleine Meloy.

Sir, Your "Serious Money" article (January 29) suggested that "fee-based advice may be the answer", but this must be a non-starter. Having sung the praises of fee-based independent financial advisers, you imply that other IFAs on commission cannot be trusted and point us to your article about Norton and Partners, headed eye-catchingly "Bodyguard against sharks".

This is all very well for your more affluent readers but someone like me, with less than £20,000 to invest, perhaps requiring modest pension arrangements to be set up, would not get a look in with these advisers – they will not touch me unless I earn more than £50,000 per annum and offer up an investment portfolio of around £80,000. Even if you feel that their £800 fee up front followed by similar amounts each year is a good deal, what about poor old me and many of your other less fortunate readers? Surely you do not think that the cut-price brokers who offer rebates will seriously look after me on an ongoing basis – they will not sit down with me for long to discuss my more modest investments. In the end it seems that there will only be financial advice for those who can afford to buy it.

Madeleine Meloy,
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Global forum idea akin to revamped OECD plan

From Mr David Barton.

Sir, Ideas for a new global forum put forward by Mr Peter Sutherland in Davos and reported in your issue of January 29 ("Sutherland urges new global forum") are not dissimilar to those discussed in September 1992 at a conference entitled "Building a new democratic order", held at Airlie House, near Washington DC.

It was then suggested that the Organisation for Economic Co-operation and Development should be revamped around the nucleus of the existing member countries to bring in fast developing and less developed countries at different levels as previously proposed by the secretary-general, Mr Jean-Claude Paye.

Thus the OECD would become the main forum for dialogue between the industrialised world and other groups such as the newly industrialising Asean countries and Latin American countries moving towards greater economic co-operation. The OECD could also help relations between Europe, North America and Japan, as the European Union, the North American Free Trade Area and Asean develop into more cohesive economic areas.

As a first step, the revamped OECD would act as a think-tank or policy unit subordinate to the Group of Seven, but with its representatives, including those from the developing world, attending certain sessions of the annual economic summit of the Group of Seven. Among the OECD's priorities would be unemployment among the advanced industrial countries.

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Wednesday February 2 1994

Mostly wise on open skies

Yesterday's report on the European airline industry by a committee of "wise men" makes many good points. The committee, set up to advise the European Commission, rightly points out that the industry's financial plight is due to poor productivity as well as the recession. And it argues that the Commission should press ahead with its open skies policy, which aims to create a competitive market, despite pressure from some flag-carriers and their governments to reverse it.

Competition is necessary if flag-carriers are to improve their productivity. As long as they are able to huddle behind monopolistic barriers receiving drip-feeds of state aid, they will have little incentive to cut costs and restructure. Without a competitive market, Europe's passengers will also continue to suffer from fares which are higher than prices on comparable routes in the US.

The wise men also make useful points about airport congestion and bottlenecks in the skies. If competitors continue to have difficulty gaining access to take-off and landing slots, last year's liberalisation of the market will amount to little. Equally damaging are the region's antiquated and fragmented air traffic control systems.

So far so good. The pity is that the wise men spoil their overall report by reluctantly agreeing that further state handouts to financially troubled flag-carriers will be necessary. This is despite their argument that state aid distorts competition and that governments should not intervene for non-commercial reasons in airline operations.

The risk of even such a reluctant endorsement of aid is that it could open the floodgates to new airline subsidies. The Commission, which is responsible for policing handouts, is already investigating cases involving Air France and Portugal's TAP. Greece's Olympic, Italy's Alitalia and Spain's Iberia could also be in line.

Further disrepute

A new rush of airline subsidies would undermine the Commission's open skies policy, as unaided rivals would not be willing to compete with aided flag-carriers. It would also bring Europe's single market, which was badly damaged by the Commission's approval of Ecu7bn in handouts to steel companies last December, into further disrepute. If efficient private enterprises find the playing field tilted against them, they will ask whether there is much point in a single market.

The wise men recognise this danger and try to guard against it by proposing tough conditions for new subsidies. They say this should be the last time airlines receive aid and that it should be allowed only as part of restructuring plans which ultimately lead to privatisation. The committee also wants the Commission to hire independent analysts to investigate aid cases and then publish their reports.

Best guarantee

Such conditions, which many flag-carriers will probably find excessively harsh, are certainly better than no conditions. Nevertheless, they would not provide the best guarantee that aid was provided as a last chance only. Meanwhile, publication of independent reports would be a welcome step towards greater transparency. In the past, there have been concerns that the Commission, working behind closed doors, has approved hand-outs by wrongly categorising them as rational investments.

But non-aided airlines will ask why the flag-carriers deserve a last chance. The reason, according to the wise men, is that without aid flag-carriers could go bankrupt and that would not be politically acceptable.

This argument is too defeatist. The banning of aid could be just what is needed to spur airlines into speedy restructuring programmes – cutting staff, withdrawing from unprofitable routes and disposing of peripheral activities. With radical programmes in place, there would be no need for aid, as financial injections could probably be justified on normal investment criteria.

If the Commission was not willing to oppose aid, it would arguably be in dereliction of its duty under the Treaty of Rome. This outlaws subsidies except in narrowly defined circumstances. Liberal-minded member states should then consider taking legal action to enforce a tougher line.

The politics of local government

After the débâcle over the poll tax, the government might have been wise to proceed with caution on further changes in local government. Caution appears to have been abandoned, however, with plans to replace the two-tier structure of county and district councils in most of England with single-tier unitary authorities. Local government reorganisation threatens to cause another political disaster for the Conservatives.

Already, there has been an embarrassing legal setback for the government's plans. Last week, the High Court ruled that Mr John Gummer, the environment secretary, had acted unlawfully by changing the remit of the Local Government Commission which is in charge of the process. Mr Gummer had told Sir John Banham, the commission's chairman, that the two-tier structure should be abolished in all but exceptional circumstances. Sir John had become increasingly prone to recommending the status quo after finding little popular support for reorganisation in many counties.

Now there is the danger of political setbacks. Most Conservative backbenchers supported the idea of sweeping away the new counties such as Avon, Cleveland and Humberside. Introduced in the 1974 local government reorganisation, [illegible] have failed to win popular support. Yet abolishing even these artificial counties has proved more difficult than expected. There has been a [illegible] among business leaders, MPs and other local interests over the commission's proposals.

Greater heat

Much greater heat is likely to be generated over the abolition of traditional shire counties such as Kent and Hampshire. If unitary authorities are to be introduced across the country, these counties will disappear in all but name. Abolishing them will be resisted by the Conservative councillors who have run them – usually moderately efficiently – for much of the last 100 years. Grass-roots Conservatives are beginning to lobby against the whole idea.

And it will take only a handful of Conservative rebel MPs to derail the creation of unitary authorities. The reorganisation plans for each county must be placed before Parliament, where the government's majority is small and fractious. The probability is that the votes will become increasingly acrimonious and unpredictable.

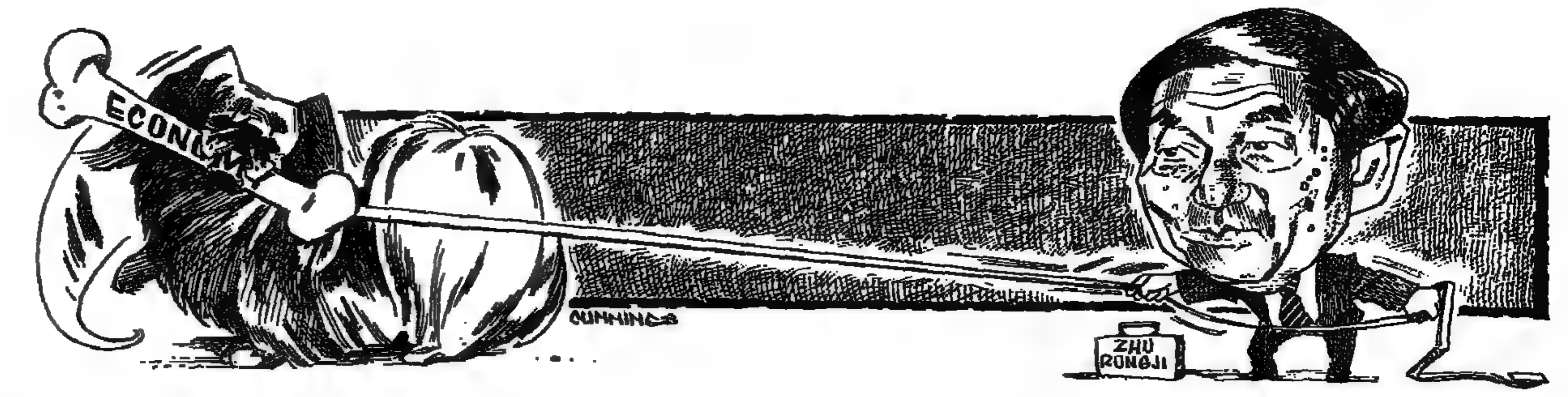
Even where reorganisation goes ahead, the political repercussions will continue. There will be substantial costs incurred in the transition, with some staff made redundant or taking early retirement. New offices will be needed, along with logos, identities, vehicle liveries and all the paraphernalia of modern organisations. Estimates of the cost vary, but the bill is likely to be about £1bn overall – one reason why business support for reorganisation is ebbing away.

Voters' revenge

Much of the cost, however, will be passed on to the local taxpayer. And since most of the new local authorities open for business in April 1996, the higher council tax bills will arrive in the run-up to the next general election. Voters might blame councils for the higher bills – but with the poll tax, they took their revenge on the government.

Small wonder, therefore, that Downing Street is considering a retreat. The government is already reeling over its tax plans, accusations of public waste and corruption and a series of sexual scandals. Ahead lie likely drubbings for the Conservatives in local authority elections and elections for the European parliament. The latter also threaten to reopen the gulf over Europe inside the Tory party. There is no stomach for a long battle over local government reorganisation, with the likelihood of parliamentary defeats.

The government missed an opportunity last summer to scale down the extent of reorganisation. Mr Gummer suggested that the commission should restrict its efforts to local authorities where there was demonstrable support for it. Such a solution now offers the best exit route without complete loss of face. The abolition of Cleveland, Avon and Humberside could then proceed, preferably without creating unviably small replacements. In the rest of the country, where some large cities might want unitary status, a petition signed by a substantial proportion of the population would be needed to call in the commission.



Long leash for a runaway economy

Tony Walker says China's reforms are deepening but inflation is a persistent and worrying threat

Chinese leaders might have reason for self-congratulation as they prepare for the annual Spring Festival holiday with a new batch of economic reforms in place. But worries about inflation, an overheating economy and unrest among peasants and industrial workers are casting a shadow over the celebrations.

In the forthcoming Year of the Dog, beginning on Thursday next week, the leadership's greatest challenge will almost certainly be to wring inflation out of a surging economy while consolidating fiscal and monetary reform. Failure to counter the prices spiral would risk further social distress, especially in industrial towns and cities where workers in faltering state industries are suffering considerable hardship.

For Mr Zhu Rongji, the senior vice-premier in charge of the economy, the Chinese New Year brings mixed blessings: financial reform is deepening but inflation is casting a worrying shadow. He cannot be complacent about achieving his oft-stated wish of a "soft landing" for an economy which, judging by the latest industrial production statistics, is continuing to defy efforts to rein it in.

Industrial output in December grew by an astonishing 29.8, according to the State Statistical Bureau, an increase of 11 per cent over November's rate of growth. This acceleration surprised western economists in Beijing and indicates a quicker-than-expected response from industry to an easing of credit restrictions in the last quarter of 1993.

Accompanying the burst in economic activity has been an increase in prices. In December, the cost of living rose by an annualised 23.9 per cent in the leading urban centres, compared with 21.9 per cent for the 12 months to November.

In response, the leadership gave a clear sign last weekend that it is anxious to curb a rampant economy. China's state council, or cabinet, said it would not approve new investments in fixed assets this year beyond existing projects. More than anything else, the capital spending spree has contributed to unsustainable economic growth rates.

In 1993, fixed asset investment – in activities such as the construction of economic development zones – grew by 47 per cent to Yuan115bn ($13.3bn) compared with the previous year. This year's capital spending target of Yuan131bn represents a 14 per cent increase on last year, although the state council decree may herald a lower increase.

But Mr Zhu and his colleagues know they must be careful at a time of increasing unemployment – particularly in urban areas – not to apply the brakes too harshly. "What we want is a soft landing while the growth rate is gradually lowered. If we drastically reduced the growth rate, we would have to pay the cost of social stability," Mr Zhu told Business Week magazine recently.

Western officials in Beijing are giving the leadership the benefit of the doubt about gradually bringing the economy under control. "I do see positive developments," said the representative of an international bank. "There has been a switch in policy from emphasis on growth at all costs to stability and consolidation.

"While they are entering the New Year on the back of strong economic activity, the trend for this year as a whole will be towards lower growth," he added. Mr Zhu and his colleagues have set a growth target of 9 per cent for the year, down from [illegible] per cent in 1993, but western economists doubt the target is attainable.

One worrying development for the leadership is that cost of living increases in politically sensitive rural areas – peasants are in a sour mood about low returns and high input costs – are catching up with those in urban centres. In 1993, the national average increase in the cost of living was 14.5 per cent: the rise was 15.7 per cent in the 35 main urban centres against 13.3 per cent in the countryside. In the past few years, the difference in the cost of living between country and city has halved to about 2 per cent.

The authorities cannot afford to ignore threats to public order in a fractious countryside. Surplus labour among the peasant population is estimated at between 150m and 200m, and more than 200 incidents of rural unrest were reported last year. While the grain harvest in 1993 was bountiful, some hard-pressed farmers witheld grain they were obliged to sell to the state in protest at low prices and rising seed and fertiliser costs.

These protests, which coincided with reports that the state was about to raise the price of compulsorily acquired grain, spurred a round of panic buying by consumers and steep price increases late last year. Local authorities were obliged to dump government stocks of grain onto the market and, in some cases, to introduce rationing to dampen a price spiral.

In light of renewed concern over price increases, the authorities have redoubled efforts to curb monetary growth, with Mr Zhu demanding strict controls on new credit at a national bankers' conference in Beijing late last month. "You should not surpass these [loan] limits by even one cent," said Mr Zhu, who is also central bank governor.

Money supply figures for the fourth quarter last year have not yet dribbled out of the Chinese bureaucracy. But they will almost certainly show a sharp rise over the quarter to the end of September, as a panicky government loosened the purse strings in response to urgent pleas from state industries whose supplies of credit had been choked off.

The rate of M1 growth, the broader measure of monetary growth, had fallen sharply from [illegible] per cent in June last year to [illegible] per cent in September after a mid-year 16-point austerity programme. Banks were obliged to recall loans for speculative activities, and new credit was squeezed tight.

Now, the [illegible] economic reform programme faces a crucial year, in the view of western officials. There is no question the leadership has set itself an extraordinarily ambitious programme. It includes sweeping reforms of banking, trade and of foreign exchange management. But the most difficult challenges will be reforms to the tax system and state enterprises.

Tax changes are to include a complex new revenue-sharing arrangement between Beijing and the provinces, along with a value-added tax (VAT) system which would challenge the most sophisticated tax authorities. A western banker said he doubted there were half a dozen officials in the tax bureau who fully understood the new regime.

But Mr Zhu insists the government will muddle through. Senior officials say tax reform will probably take about five years to implement and perfect. And Chinese and foreign businessmen would seem to be justified in their apprehension about dealing with the tax authorities in what promises to be a chaotic initial phase.

Reform of crumbling state enterprises poses huge problems, and plans to tackle this vexed issue are murky. Officials have announced [illegible] enterprises will be singled out for a process of corporatisation – a Chinese half-way house to privatisation in which enterprises are detached from state control – but results are likely to be patchy, judging by past efforts.

The main question before policymakers this year will be the extent to which they have to compromise on their central task of fighting inflation. The views expressed by the World Bank in October hold good today. "A premature loosening of monetary policy at the present time could jeopardise the hard-fought early gains on inflation and trigger a resurgence of high inflationary expectations," wrote the bank's chief economist in Beijing.

Reforms are being implemented rapidly, but in the absence of low inflation, Mr Zhu and his colleagues are continuing to live dangerously. They cannot afford to ignore threats posed by inflation or signs of social unrest both in the countryside and in urban centres. But there is limited room to manoeuvre between what is politically expedient and the need to maintain strict controls on monetary growth. Mr Zhu has shown he is prepared to risk strong opposition to his austerity programme, but he cannot be sure that he will prevail.

This way Russian chaos lies

PERSONAL VIEW

An old Soviet joke of the 1970s asks: "What is small, green, rustles at the touch, but is not money?" Answer: "A one hundred rouble banknote." "But why do you say, then, that it is not money?" "Because one hundred roubles isn't money, it's peanuts."

At that time, however, the sum of 100 roubles was a lot – for those who had access to the special network of privileged government and party shops. It could decently feed an average family for nearly a month. Or buy a quality western-made suit or a coat.

On the other hand, spent at the *rynok* – farmer's market – it would have allowed someone to buy no more than a few kilos of vegetables and fruits, while in the ordinary shops you had to queue for hours to get anything worth buying at all. Much stronger than the US dollar in the government shop, Soviet currency suddenly lost most of its value outside it.

A palatial residence somewhere in the prestigious centre of Moscow would cost its privileged occupiers not much more than a squalid one-room flat for an ordinary family in the suburbs. The national currency had little to do with how wealth was distributed in the Soviet society; no wonder, then, that a lot of people accustomed to the old ways still find it hard to grasp the concept of money in a market economy.

So when Russian Prime Minister Viktor Chernomyrdin speaks now of "non-monetary ways" to curb inflation, he could simply be demonstrating the traditional, scornful disregard for Russian money, treating it as something as cheap and unimportant as *syemechki* (the Russian equivalent of peanuts).

This scorn is part and parcel of the Soviet ideological legacy. After the highly efficient (and monetarist) New Economic Policy of the early Soviet days, Stalin destroyed the theory of value and deprived the rouble of its natural role as a universal equivalent and value store, turning it instead into an instrument of "socialist accounting" – an additional certificate of good behaviour and work attendance.

Since that time, until former first deputy prime minister Yegor Gaidar's reforms started in early 1992, real purchasing power was determined by the place of the purchaser in the hierarchy, rather than by the quantity of the [illegible] he possessed.

People accustomed to the old ways find it hard to grasp the concept of money in a market economy

It worked the same way for enterprises, too. They had to produce what was demanded by the politicians; the quantity and the quality were both centrally dictated. Normal money could not serve the purpose of that kind of regulation, so it had to be abolished.

Today the proponents of the "non-monetary approach" argue that the way to curb inflation is to increase the supply of goods against the growing supply of money. The rouble then would not lose value and there would be more goods around. Wouldn't that be marvellous? And such a simple solution, too.

The only problem with this scenario is that, in the current sorry state of Russian industry, easy credits would by no means stimulate increased productivity. On the contrary, they would keep bankrupt enterprises and state farms afloat artificially, encouraging them to stick to their old, wasteful ways.

The other historically proven method to make people work harder and better in Russia is to start shooting them in sufficiently big numbers. As soon as the component of fear started to subside in the Soviet society after Stalin's death, the economy began falling apart.

The extravagantly high oil prices of the 1970s and early 1980s somewhat slowed the process, allowing Brezhnev's regime to stagnate rather comfortably. But finally it had to come to an end. When the fear generated by the KGB largely disappeared (1987-88), the decline in output became obvious and irreversible. The junta of 1991 wanted to bring fear back into the system, but it was too late.

If the Soviet experience is any guide, it means that to make an economy work coherently in Russia you have to choose what to control: the money supply, through fiscal and monetary discipline and a normal central bank, or human minds, through fear, propaganda and the secret police. But if you do neither, you end up with chaos.

Mr Chernomyrdin's problem is that he is a decent man, not capable of ordering mass executions, [illegible] long [illegible] slave labour. That is why he will find it hard to switch the Russian economy back to fully "non-monetary ways". It will take a much more determined and ruthless leader, and probably a civil war, to achieve that.

Andrei Ostalsky

The author is London editor of the Financial Izvestia newspaper

OBSERVER

Teleological technik

■ The wheel of fate comes full circle, if you give it enough time. Back in the 1950s BMW was in poorer shape than Rover ever was. It so confused its customers – how could they trust a manufacturer which produced cheap three-wheel bubble cars *and* large expensive Grand Tourers – that the management wanted to put BMW into voluntary liquidation. They put the idea to shareholders. Bavarian pride took over – the management got the push instead.

Clearly BMW was fated to become a big name in British motoring terms. Ford in Britain once produced a television advertisement which was never shown because it was considered in poor taste. It featured a Spitfire speeding through blue skies, while a voice-over declared: "During the second world war Ford built hundreds of thousands of aircraft engines in Britain. That's why today the British do not have to say: *Vorsprung durch Technik.*" How wrong they were.

History lesson

■ No one was more surprised at Observer's item, just before Christmas, suggesting that plans for an NHS Lotto had [illegible] in 1988, than the staff of the National Hospital Trust who were completing the 235th weekly draw.

True, the initial draw was halted for three months by the Crown Prosecution Service which disputed Lovell White Durrant's advice that the lottery was legal. The CPS eventually gave the go-ahead, much to the relief of Lovell's Patrick Phillipps. He must be hoping that his latest gamble – advising Rothschild's bid for the National Lottery – goes more smoothly.

For its part, the National Hospital Trust takes comfort from the new freedoms allowed to existing lotteries in the National Lottery Act. No doubt ministers have been reminded of the last time a National Lottery was allowed to become a monopoly. John Blunt, having set up the first really successful government lottery in 1710, subsequently devised the "South Sea Bubble" scheme to buy up, in part, the government's liability for £9m worth of lottery prizes.

Stay tooned?

■ Has Ted Turner, the founder of Cable News Network, the world's first 24-hour news network, joined the establishment at last? The question is raised by CNN's failure to relay a major scoop – its interview with Sinn Fein leader Gerry Adams, on Larry King Live – direct to its European audience.

The interview ran a day later and CNN used an actor to mouth Adams' comments. So much for the idea that CNN has redefined news from "something that has happened to something that is happening". Hard to believe that CNN, which put its reputation on the line by reporting from Baghdad at the height of the Gulf war, was kow-towing to the silly laws which prohibit the BBC and ITV from broadcasting Adams' comments.

CNN International said yesterday that there was nothing unusual about its behaviour. It has been based in London since 1985 and is licensed by the Independent Television Commission, so it has always abided by Britain's censorship rules. Perhaps. But there must be a sneaking suspicion that a news network which can be watched by up to 1bn people doesn't want to jeopardise its chances of increasing the European penetration of lucrative ventures, such as its cartoon network, by upsetting officialdom.

'No one will ever be conceived in the back seat of a British car'

Generally speaking

■ Those who hope Algeria's new head of state, General Lamine Zeroual, can prevent the country sliding into civil war can take comfort from incidents in his past.

During riots in October 1988 – which broke the power of the ruling Front de Libération National Party – one of the towns where no blood was shed was Constantine, a long-standing hotbed of Islamic fundamentalism and the scene of violent rioting in November 1986. The commander of the military region enclosing Constantine was none other than Zeroual; he disobeyed orders and refused to open fire against the demonstrators. Soon after, he was appointed head of the land forces but resigned his command a few months later, and in 1989 retired.

Big ears

■ This one will be a real test for marketing ingenuity. Tore Haugen – a Norwegian forestry worker – is trying to wow visitors to the Lillehammer Winter Olympics by selling them ear-rings made from dried elk excrement. "They're dark brown, oval-shaped and no two are alike," he says. "They don't smell at all." He dries the droppings in a microwave; [illegible] on four coats of lacquer; adds a silver clasp; and charges $13. Haugen reckons they will be especially successful with people "who come from countries where there are no elks". Naturally, Tore, naturally.

Figure that

■ Those who suspect accountants love paperwork will not be surprised to learn that the Institute of Chartered Accountants in England and Wales may expand its already unwieldy council by a further 10 [illegible], making a total of 70 elected members; it also has up to 30 co-opted members. The same council has also just ratified an increase in subsistence, bringing it up to £37 a day and £90 a night for attendance at council and committee meetings. Nice work if you can get it; and more and more are, it seems.

Stale bun

■ What does a bimbo want with a bakery? Obvious really – to improve its shape. Mexican baked goods outfit Grupo Industrial Bimbo is forming a strategic connection with US bread maker Mrs Baird's Bakeries. Should be a cracker of an alliance.

FINANCIAL TIMES
Wednesday February 2 1994

Carmaker aims to maintain Rover's alliance with Honda

BMW heads for talks in Tokyo

By Kevin Done, Robert Taylor and Roland Rudd in London

- [redacted] Britain's top [redacted] exporter Page 6
- Observer Page 11
- Why Rover has had to lead [redacted] dog's life Page 13
- [redacted] visit Page [redacted]

Mr Bernd Pischetsrieder, chairman [redacted] the BMW [redacted]ment [redacted] is to [redacted] Mr Nobuhiko Kawamoto, chief [redacted] of Honda in Tokyo next week in [redacted] first round [redacted] aimed at maintaining the alliance [redacted] the Japanese carmaker and Rover.

[redacted] stunned Honda on Monday with its [redacted] from British Aerospace of an 80 per [redacted] in [redacted] UK carmaker. [redacted] still [redacted] remaining 20 per cent [redacted] the equity in the [redacted] and [redacted] Rover [redacted] operations.

Mr Pischetsrieder is [redacted] to maintain Honda as a partner for [redacted] in [redacted] production [redacted] development, at [redacted] medium [redacted].

[redacted] forged a [redacted] relationship in the past 14 years, and Mr [redacted] quick [redacted] dismay [redacted] the entry of BMW [redacted] majority [redacted].

[redacted] said [redacted] BMW [redacted] had "negated" the long-term efforts [redacted] Honda [redacted] Rover to [redacted] firm [redacted] for Rover [redacted] "a British [redacted] with [redacted] own [redacted] identity".

Honda's [redacted] British Aerospace engi[redacted] BMW takeover [redacted] Rover was also highlighted yesterday when Mr Andrew Jones, the company's UK plant manager, admitted the company was shocked at the deal.

Speaking at the House [redacted] Com[redacted] select committee [redacted] employment and amid [redacted] exchanges [redacted] House [redacted] John Smith, [redacted] of the opposition, and Mr John Major, the prime minister, he agreed with [redacted] suggestion from MPs [redacted] the decision [redacted] from investing in [redacted] UK.

While [redacted] maintained that [redacted] to its [redacted] in [redacted] UK [redacted] Honda plant which employs 1,300, he [redacted] important [redacted] that Japanese companies approached their corporate relationships.

Mr Jones [redacted] they [redacted] long-term view and [redacted] to build their relations on "trust [redacted]cerity".

Any [redacted] deviation [redacted] direct path [redacted] affect their behaviour, [redacted].

British union officials, how[redacted] reacted favourably yesterday [redacted] BMW's purchase after Mr [redacted] them the [redacted] they had [redacted] job security and investment plans in the UK.

"We could [redacted] have [redacted] for anything [redacted] positive," said Mr John Allen, the AEEU engineering union [redacted] for the [redacted] industry.

Mr [redacted] told them that BMW would [redacted] Rover's plants, main[redacted] product development plans [redacted] current employment [redacted].

He [redacted] BMW's support [redacted] 1992 agreement between the unions [redacted] introduced multi-skilling [redacted] for workers, single [redacted] for blue [redacted] white-collar workers, lean production methods [redacted] redundancies.

UK rejects Sinn Féin leader's demands

By Michael Cassell in Belfast and Patrick [redacted] in New York

The British government last night rejected demands in New York by Mr Gerry Adams, [redacted] Féin president, [redacted] the Anglo-Irish joint declaration and for [redacted] negotia[redacted] on [redacted] political [redacted] Ireland.

In an interview [redacted] Stormont Castle, Belfast, yesterday, [redacted] Patrick Mayhew, Northern Ireland secretary, firmly restated the British government's [redacted] Sinn [redacted] the [redacted] a political [redacted] until [redacted] a full and permanent end to IRA [redacted].

And in London, British prime [redacted] John Major [redacted] to [redacted] Mr [redacted] propaganda [redacted], telling Parliament that [redacted] Féin president's commitment [redacted] should only [redacted] taken seriously [redacted] a permanent [redacted].

All Sinn [redacted] "utterly and completely hollow until they [redacted] violence," he [redacted].

Mr Adams [redacted] maximum publicity for [redacted] republican cause during his short, [redacted] the US.

After [redacted] briefing to [redacted] the Congressional committee [redacted] Irish affairs, Mr Adams said [redacted] was anxious to get a proposal to put to the IRA which would enable it to end its conflict. Depicting the British government as the only obstacle to peace, he [redacted] "The ball is firmly in the British court." Mr Adams went on to repeat his calls for action by [redacted] government when he [redacted] national committee [redacted] American foreign policy.

But [redacted] Patrick, who [redacted] was "a pity" [redacted] Mr [redacted] had [redacted] given [redacted] platform in [redacted] that it [redacted] Sinn Féin who [redacted] key to [redacted] peaceful solution. [redacted]: "The only rational choice for an organisation that has a political objective is to accede to the declaration, end violence and make it clear that you have ended violence, and then make use of what has been offered.

"Sinn Féin has the key. The key is their ability to give up violence. If they put it in the lock now and turn it, the consequences follow which have been spelled out". Referring to the Sinn Féin president's [redacted] let[redacted] Mr John Major, [redacted] prime minister, Sir [redacted] not [redacted] any clarification [redacted] explanation of any specific matter at all. [redacted] is entirely clear that what he [redacted] is [redacted] renegotiation [redacted] the declaration."

He claimed that Mr Adams' continuing refusal to be specific meant that there was no "genuine request for enlightenment and the most likely candidate for an alternative explanation is the desire to play for time".

On a ceasefire, he added: "It has got to be permament. A temporary ceasefire is no good and I will not, the government will not, negotiate with Mr Adams or anyone else unless and until they [redacted] permanently ended vio[redacted]".

Kuwait looks to boost economy with domestic petroleum sale

By Mark Nicholson in Cairo and Robert Corzine in London

[redacted] is [redacted] privatising parts [redacted] downstream petroleum industry in an effort to revitalise the economy [redacted] widen [redacted] private sector, according [redacted] senior Kuwaiti officials.

A draft report proposing limited sales [redacted] mainly domestic petroleum operations [redacted] prepared by a [redacted] ministry committee for submission to the Council [redacted] Ministers. According [redacted] Kuwait officials, the recommendations stand [redacted] "good chance" [redacted] being enacted.

However, [redacted] emphasise [redacted] Kuwait [redacted] no intention of privatising [redacted] even selling [redacted] in [redacted] upstream oil production [redacted] drilling operations, which the government has [redacted]sidered a strategic [redacted] since Kuwait became [redacted] Arab [redacted] buy control [redacted] its oil operations in 1975.

[redacted] said the [redacted] can[redacted] for privatisation would be Kuwait's domestic petrol stations, parts of some refineries and non-core [redacted]. "The purpose [redacted] the government's [redacted] operations should [redacted] given to the private [redacted] in Kuwait," one [redacted].

International oil companies would [redacted] particularly [redacted] in [redacted] refining [redacted] executive [redacted] companies "would jump [redacted] opportunity to [redacted]" in [redacted] refineries, [redacted] the [redacted] in the region.

[redacted] small [redacted] the [redacted] down[redacted] operations, such [redacted] retailing, [redacted] unlikely [redacted] attract [redacted] great [redacted] of interest. [redacted] another executive [redacted] companies might see privatisation [redacted] "stepping stone" [redacted] exciting opportunities in future.

[redacted] proposals result from intensified government [redacted] in privatisation [redacted] the Gulf war, which [redacted] with high budget [redacted] and [redacted] both the non-oil economy and private sector in [redacted] largely moribund condition.

According [redacted] media reports in Kuwait, [redacted] finance ministry committee rejected [redacted] that [redacted] should sell a 25 [redacted] in [redacted] main national [redacted] companies, [redacted] bank estimated would raise [redacted] ($22.2bn).

However, [redacted] reports [redacted] proposing [redacted] Kuwait [redacted] allow foreign [redacted] full ownership [redacted]panies in the [redacted] dispense with [redacted] present requirement that all foreign businesses [redacted] through a [redacted] – a [redacted] that [redacted] increasingly being [redacted] in [redacted].

EU steel [redacted] plan verges on collapse

Continued from Page 1

gal [redacted] Germany.

German private steel compa[redacted] the capacity cuts [redacted] only on [redacted] and that new sub[redacted] being distributed to state-owned companies [redacted] of the private [redacted].

Steel industry analysts [redacted] yesterday [redacted] Italian industry ministry had only just begun to [redacted] how [redacted] of proposed [redacted] would [redacted] from [redacted] Italian private [redacted]tor.

In Italy, matters have [redacted] complicated by [redacted] government's decision [redacted] with [redacted] privatisation [redacted] Ilva, [redacted] group.

A [redacted] Italian [redacted] deal [redacted] keep [redacted] an extra furnace [redacted] Taranto, Europe's largest steelworks, providing equivalent [redacted] sought in [redacted] private [redacted].

THE LEX COLUMN

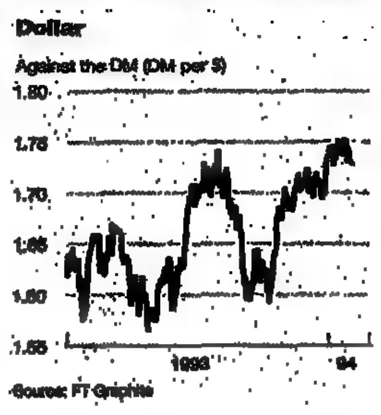
Fear of flying

The wise men's report on the European airline industry will bring the day of reckoning for loss-making national carriers that little bit closer but will hardly leave them quivering with fear. The recommendation that carriers can receive one last injection of state aid – so long as it is linked to restructuring proposals – [redacted] the most painful decisions. Once that financial fix has faded, the upswing in the European aviation cycle should further postpone the crunch.

The report suggests that over the past [redacted] European govern[redacted] have spent [redacted] shoring up [redacted] airlines. None of the [redacted]ment could be justified on purely commercial grounds. That may be true. But whether the elimination of such subsidies will be sufficient to redress the ills of the European airline industry is highly questionable. After all, US carriers receive no state aid yet their industry still loses money. That shows how hard it is to remove surplus capacity.

Strong European airlines, such as British Airways and KLM, will be delighted that "unfair" competition will diminish. But small airlines on Europe's periphery, such as Olympic or Aer Lingus, will face a highly precarious future if free market forces are fully unleashed. The regulatory trend will force them to cut costs, merge or forge closer marketing agreements with other carriers. But even if they fail to do so, it is hard to see how any government could ever allow its national carrier to crash. The release of the aviation report on the same day as the EU commissioner responsible admitted that European steel talks were on the verge of collapse is not auspicious for free market champions.

FT-SE Index: 3481.5 (-10.3)



Source: FT Graphite

Currencies

The foreign exchange markets seem to be having some difficulty discerning which way US interest rates and therefore the dollar are heading. On Monday Mr Alan Greenspan said that the Federal Reserve would have to tighten some time, but gave no indication of when. That looked initially like a reprieve. Yesterday the purchasing managers' index for January turned out stronger than the market expected, especially in the areas of price and delivery times, both of which suggest capacity is beginning to be stretched. If that is so, an interest rate [redacted] originally set amid fears of a [redacted] crunch [redacted] less appropriate.

Friday's employment figures may give a better lead, but the balance of expectation must [redacted] the Fed [redacted] unlikely to act quickly. Fourth-quarter inflation figures showed inflation [redacted] under control, [redacted] high [redacted] growth is expected to slow. The resignation yesterday of Mr David Mullins will remove another hawkish member from the Fed Board. It is thus more likely that [redacted] eventually tighten, [redacted] will simply nudge rates gently higher.

That is little comfort for those who have been banking on a strong appreciation of the dollar this year. In the short run they also have to contend with worries about the looming trade talks between the US and Japan which may yet see the US side talking the yen up. Expectations of a German rate cut this week are diminishing. There is a chance that the Bundesbank, which likes to surprise, may slip in a cut now that the D-Mark has revived. But there is little longer-term encouragement for the dollar if Germany is only prepared to cut interest rates when its own currency is strong.

Marks and Spencer

Consumers will doubtless feel safe with a pension from Marks and Spencer, but whether they will actually go out and buy one is another matter. Given most people's reluctance, the quip that insurance is sold and not bought carries a good deal of weight. It is a premise of the life industry that without a salesman's insistent patter in the family home, clients will not sign on the dotted line. Getting foot-dragging consumers to trot along to the local M&S store voluntarily may thus be a tall order.

Marks [redacted] Spencer is, however, touching [redacted] some important trends. [redacted] finally catching on to the [redacted] commissions paid on life-related products. Now that these are to be [redacted] will mount [redacted] cut charges. That will require a lower cost base, which M&S is in [redacted] better position [redacted] provide [redacted] insurance [redacted] forces, independent [redacted] or even [redacted] banks. The industry [redacted] thus [redacted] to a much [redacted].

The other trend is towards simplicity. Whatever the marketing hype [redacted] management [redacted] be little need for almost as many unit trusts as there are quoted UK companies. Consumers may place a premium on off-the-peg financial planning and simple products to go with it. This is [redacted] M&S territory. While purists may quibble, the mass market may be better served by [redacted] standardised M&S financial product than the inappropriate personal pensions many have thus far been sold. The only consolation for life companies is that Marks and Spen[redacted] caution leaves a breathing space for the industry.

United Newspapers

United Newspapers' [redacted] a long time [redacted] see how [redacted] would spend the £90m raised in last July's rights issue. But the acquisition of a US periodical pub[redacted] unlikely [redacted] disappoint. [redacted] $100m purchase price may seem a lot [redacted] for a $70m-turnover business. But Harmon will usefully complement United's existing [redacted] periodicals business. There appears scope to double Harmon's current operating margin of 9.6 per cent.

Moreover, United will be able to exploit a wrinkle in the new US tax code which should ensure the deal will enhance earnings. By buying Harmon's assets rather than the outright business, United will be able to amortise the goodwill over 15 years, writing it off against tax payments. That effectively gives United some $6.5m of tax-free income a year considering that goodwill accounts for some 97 per cent of the purchase price.

Shareholders may remain puzzled why United was in such a hurry to raise money last summer, especially since the sale of Extel for £74m in December added more to the acquisitions pot. But at least they will be patient in the knowledge that United's shares are now 48 per cent higher than the rights issue price.

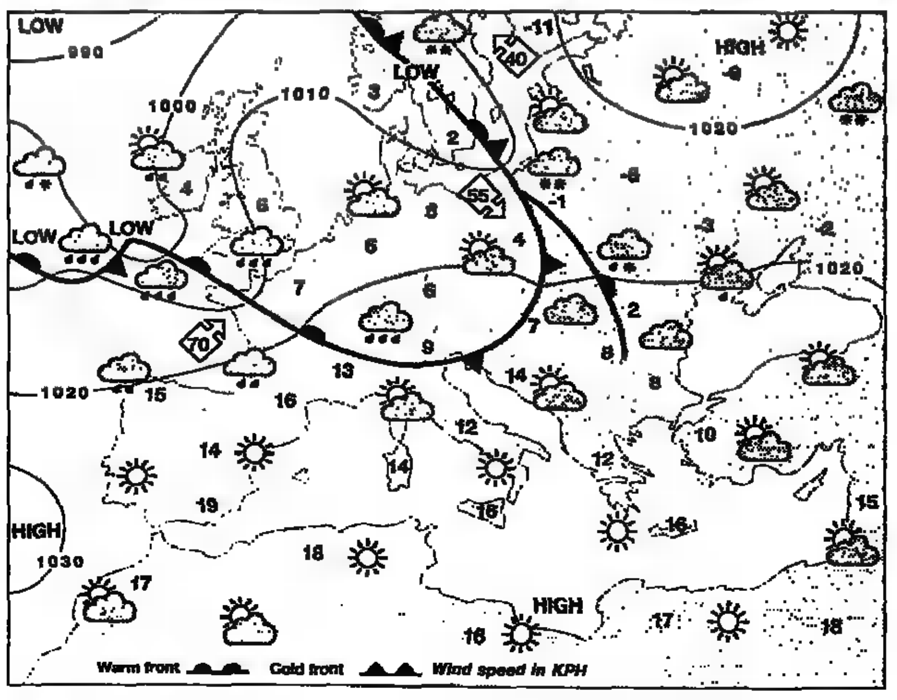
FT WEATHER GUIDE

Europe today

[redacted] westerly air current will mean [redacted] conditions in [redacted] northern Europe. Ireland, [redacted] half [redacted] UK, north-western France, as [redacted] as northern Spain and Portugal, will [redacted] rain. The [redacted] and Germany will have sunny spells due to a ridge of high pressure. However Scandinavia, Poland and the northern Balkan [redacted] will [redacted] snow [redacted] rain. [redacted] regions [redacted] Alps will [redacted] clouds with some rain and snow above 1200 meters. The southern regions will be sunny and dry. The Mediterranean will have [redacted] springlike temperatures.

Five-day forecast

Depressions [redacted] will [redacted] and south-western Europe, bringing [redacted] or [redacted] rain and falling temperatures. [redacted] this week, rain will spread over Italy and the Alps. Cold air will flow in from the north-west into Spain, bringing snow in the [redacted] High pressure [redacted] Europe [redacted] the CIS will bring settled conditions and [redacted] temperatures in Greece, Turkey, [redacted] in [redacted] later [redacted] week.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

	[redacted]		[redacted]	rain	[redacted]	Cardiff	rain	4	Frankfurt	fair	6	[redacted]	sun	15	Rio	[redacted]	26
	[redacted]		Belgrade	fair	10	[redacted]	snow	[redacted]	[redacted]	cloudy	2	[redacted]	cloudy	4	Riyadh	sun	[redacted]
Abu Dhabi	[redacted]	27	[redacted]	fair	[redacted]	[redacted]	rain	6	[redacted]	[redacted]	17	Manila	cloudy	[redacted]	Rome	[redacted]	14
Accra	[redacted]	[redacted]	[redacted]	cloudy	24	D' Salaam	[redacted]	32	Glasgow	rain	[redacted]	Melbourne	[redacted]	22	S. Frsco	sun	14
Algiers	[redacted]	[redacted]	Bogota	drzl	17	[redacted]	fair	31	Hamburg	fair	6	Mexico City	fair	22	Seoul	fair	5
Amsterdam	[redacted]	6	[redacted]	[redacted]	29	Dallas	fair	11	Helsinki	[redacted]	-11	Miami	[redacted]	20	Singapore	cloudy	29
Athens	fair	[redacted]	[redacted]	[redacted]	5	Delhi	[redacted]	21	Hong Kong	fair	25	[redacted]	hazy	[redacted]	Stockholm	cloudy	-2
B. Aires	[redacted]	29	[redacted]	[redacted]	6	Dubai	[redacted]	25	[redacted]	sun	28	[redacted]	cloudy	-11	Strasbourg	[redacted]	7
B.ham	rain	2	C.hagen	[redacted]	6	[redacted]	[redacted]	6	[redacted]	fair	7	Moscow	snow	-12	Sydney	fair	28
Bangkok	fair	[redacted]	[redacted]	fair	[redacted]	[redacted]	sun	14	Jersey	rain	7	Munich	cloudy	[redacted]	Tangier	sun	17
Barcelona	sun	[redacted]	Cape Town	[redacted]	27	Edinburgh	fair	[redacted]	Karachi	[redacted]	[redacted]	[redacted]	[redacted]	29	Tel Aviv	[redacted]	[redacted]
Beijing	[redacted]	5	[redacted]	cloudy	27	Faro	[redacted]	17	Kuwait	[redacted]	22	Naples	[redacted]	15	Tokyo	[redacted]	[redacted]
									L. Angeles	[redacted]	[redacted]	[redacted]	fair	27	Toronto	[redacted]	[redacted]
									Las Palmas	sun	[redacted]	New York	fair	0	Tunis	[redacted]	[redacted]
									Lima	cloudy	[redacted]	Nice	sun	9	Vancouver	fair	6
									Lisbon	sun	15	[redacted]	[redacted]	14	Venice	hazy	10
									London	rain	5	Oslo	cloudy	[redacted]	Vienna	[redacted]	[redacted]
									Lux.bourg	rain	5	Paris	rain	7	Warsaw	sleet	[redacted]
									Lyon	cloudy	0	Perth	fair	39	Washington	sun	[redacted]
									Madeira	sun	18	Prague	fair	[redacted]	Wellington	sun	[redacted]
									Madrid	sun	14	Rangoon	fair	[redacted]	Winnipeg	sun	[redacted]
									Majorca	sun	17	Reykjavik	snow	[redacted]	Zurich	cloudy	6

FINANCIAL TIMES
COMPANIES & MARKETS
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Wednesday February 2 1994

IN BRIEF

BMW has plans for the Mini

Mr Bernd Pischetsrieder, chairman of the BMW management board and the man who now holds [redacted] future direction of Rover, [redacted] leading [redacted] carmaker, in his hands, [redacted] there is a future for the Mini. Page 18

Germany has [redacted] highest motor industry labour [redacted] in [redacted] developed world while the UK has the lowest according to a study. [redacted]

Benetton [redacted] diversify
Benetton, the [redacted] clothing group, [redacted] be [redacted]ing up [redacted] acquisition [redacted] its [redacted] activities. Page 16

[redacted] twinkle in Lebanon

If investments of cash [redacted] to [redacted] those [redacted] hope in Lebanon's reawakening capital market, there [redacted] a bonanza in store. Meanwhile, it [redacted] early days. Although [redacted] been at [redacted] for [redacted] three [redacted] and reconstruction [redacted] gathering [redacted] the country's capital market is presently [redacted] than [redacted] twinkle in investors' [redacted]
Back Page

Euro Disney banks map out strategy
Euro Disney's creditor banks will [redacted] today in Paris to map [redacted] their strategy for the final stage of negotiations over a financial rescue package. Page 15

Tenneco doubles in quarter
Tenneco, [redacted] industrial company, saw operating income double in the fourth quarter [redacted] J. I. Case farm equipment division continued [redacted] improve. [redacted]

Korean group eyes developing countries
Daewoo Motor's recent purchase of the Romanian [redacted] is [redacted] latest step in [redacted] strategy to operate assembly plants and establish distribution networks in developing countries. [redacted] 16

Sainsbury to change auditors
J Sainsbury, [redacted] UK high street retailer, is [redacted] to announce imminently that it intends to [redacted] its firm of [redacted] from next [redacted] 18

BAA ahead 13%
BAA, the [redacted] British Airports Authority, [redacted] pre-tax profits 13 per cent. Page 18

MY expands through purchase
Shares in MY Holdings rose after the specialist UK packaging company announced plans to buy Insight, the UK carton manufacturer. Page 19

UK retailer enters pensions market
[redacted] and Spencer, the UK's most profitable retailer, is [redacted] life and pensions products from [redacted] year in addition to its existing [redacted] services. [redacted] 14

Companies in this [redacted]

Adscene	[redacted]	IBM	[redacted]
[redacted]	[redacted]	IMI	14
BAe	[redacted]	[redacted]	15
[redacted] Vision	[redacted]	J.P. Morgan	[redacted]
BMW	13	Kelt	[redacted]
Bancario San Paolo	14	Knight-Ridder	[redacted]
Banesto	14, 13	MIM	[redacted]
Bank Leumi	[redacted]	[redacted] Hidge	[redacted]
Benetton	[redacted]	Marks and Spencer	14
[redacted]	[redacted]	Mashreq Bank	16
Cairn Energy	19	Merck	19
Caldwell Invs	19	Molson	15
Celsis Intl	[redacted]	[redacted]	16
Chubb	15	Pepsico	[redacted]
Coletax and Fowler	[redacted]	Premier Land	19
Cominco	[redacted]	RJR Nabisco	[redacted]
Courtyard Leisure	[redacted]	Research Machines	[redacted]
Daewoo Motor	[redacted]	[redacted]	[redacted]
Eastman [redacted]	[redacted]	[redacted]	[redacted]
Euro Disney	15	[redacted]ern Life	[redacted]
Ex-Lands	19	Suez	[redacted]
Fiat	14	T&S Stores	[redacted]
Five Oaks Invs	19	Tenneco	[redacted]
Flagstone	[redacted]	Union Square	19
Fleming Japanese	[redacted]	United Newspapers	[redacted]
Harmon	[redacted]	Victoire	14
Honda	13	[redacted] Trust	16

Market Statistics

[redacted] rates	28	[redacted]on share servi[redacted]	21-23
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FT-A world indices	[redacted]	Managed fund service	24-28
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Foreign exchanges	[redacted]	World stock mkt indices	29
London recent issues	21	UK dividends announced	[redacted]

Chief price changes [redacted]

FRANKFURT (DM)			
Rises			
BMW (Br)	[redacted]	+	[redacted]
Lahmeyer	745	+	12
Varta	365	+	10.5
Falls			
Colonia Konzn Pf	[redacted]	-	35
Degussa	478	-	10.8
[redacted]			
Rises			
Allied Signal	79¾	+	1⅛
Ind Paper	76¾	+	1⅞
Falls			
Bell Atlantic	55	-	1⅞
Intel	64	-	1⅝
Sthwestern Bell	40⅞	-	1⅛
Tenneco	56	-	1⅝
PARIS (FFr)			
Rises			
Cred Lyon	848	+	38

Paribas	563	[redacted]	22
Union Immob Fr	[redacted]	+	[redacted]
[redacted]			
BSN	951	-	28
[redacted]	523	-	17
Skis Rossignol	[redacted]	-	70
TOKYO (Yen)			
[redacted]			
Dainippon Screen	879	+	[redacted]
Fuji Heavy Ind	379	+	44
Isuzu Motors	457	+	37
Nissan Diesel	450	[redacted]	34
Suzuki Motor	1450	+	200
Falls			
Sega Ent	[redacted]	-	[redacted]

New York prices at 12:30.

LONDON (Pence)			
Rises			
AMEC	150	+	6
Bibby (J)	83	+	13
Boosey Hawkes	1375	+	[redacted]
Bridon	[redacted]	+	9
Brit Aerospace	[redacted]	+	46
Coletax Fowler	82	+	8
GKN	504	+	21
Gardner Grp	33½	+	[redacted]
Haemocell	79	+	[redacted]
Int Food Mach	10	+	5
Laing (J)	405	+	21
Lonrho	161	+	6
MY [redacted]	61	[redacted]	10

Medeva	172	+	[redacted]
Nat Home Lns	22¾	+	[redacted]
Perry Group	238	+	11
St James Place	[redacted]	[redacted]	9
T & S Stores	197	+	29
Upland Int	127	+	11
VSEL	1020	+	27
Yorks-Tyne TV	[redacted]	+	17
Falls			
Babcock Intl	38¾	-	[redacted]
Fitch	14½	-	[redacted]
Midland [redacted] Scot	7	-	[redacted]

Charges push Nabisco into the re[redacted]

By Richard Tomkins in New York

RJR Nabisco, the [redacted] cigarette and food group, [redacted] to show the effects of the price war [redacted] domestic cigarette market by reporting yesterday a slump into net [redacted] of $496m [redacted] the fourth quarter.

Last [redacted] Philip Morris, RJR [redacted] rival, reported [redacted] fall in fourth-quarter [redacted] profits [redacted] $339m. Both companies [redacted] suffered heavily from price [redacted] introduced [redacted] year in a bid to regain US market share – though recently prices [redacted] started to [redacted] back up.

However, a large part [redacted] the [redacted] were [redacted] by a [redacted] charge for an extensive [redacted]uring announced in December, and the results were broadly in line with expectations. The [redacted] to $7⅝.

The $496m loss compared with [redacted] net profit [redacted] $37m [redacted] time. RJR [redacted] said both figures included unusual charges, and if [redacted] stripped [redacted] it would have reported [redacted] fourth-quarter net profit of $38m, compared [redacted] $207m in the comparable period.

RJR [redacted] reported yesterday that fourth-quarter cigarette sales volumes [redacted] 9 per [redacted] in [redacted] US compared with the previous [redacted], and lower prices reduced the value [redacted] by 26 per [redacted] The result [redacted] per cent fall in the division's [redacted]ing profits [redacted] $130m.

[redacted] parts of the [redacted] better. International tobacco sales were up 25 per cent, due in part [redacted] volume [redacted] from Russia [redacted] Middle East, and operating profits rose by 10 per cent to $158m.

Nabisco [redacted] saw a 12 per cent increase in worldwide [redacted] from continuing businesses and lifted operating profits by 16 per [redacted]

In December, RJR [redacted] announced it [redacted] cutting [redacted] jobs from its workforce of [redacted] as part of a drive to improve productivity. Although this hit [redacted] profits, it said it would [redacted] future net earnings by $250m a [redacted]

Fourth quarter losses per share, fully diluted [redacted] including all charges, were [redacted] cents, compared with earnings of 4 [redacted] time.

For the full [redacted] turnover fell [redacted] $15.7bn [redacted] $15.1bn [redacted] net profits of [redacted] turned into net [redacted] $145m – though [redacted] company [redacted] if unusual charges were stripped out, the figures [redacted] have [redacted] profits of [redacted], compared with profits of [redacted] last time.

Losses per share, fully diluted and including all charges, were 12 cents compared with earnings of 24 cents last time.

Banesto shares plummet 57% [redacted] comeback

[redacted] Tom Burns [redacted] Madrid

[redacted] in Banesto, [redacted] troubled Spanish banking [redacted], [redacted] cent of [redacted] pre-crisis value yesterday when they were [redacted] after [redacted] five-week suspension.

[redacted] trading [redacted] Pta855 after opening at Pta800 and hitting [redacted] high [redacted] Pta894. [redacted] closing price its [redacted] value [redacted] ($1bn).

The stock [redacted] suspended [redacted] Pta1,995 [redacted] by the Bank [redacted] Spain [redacted] board after an official inspection had discovered [redacted] bank's assets [redacted] grossly overvalued. It [redacted] then Spain's fourth largest bank.

Nearly [redacted] Banesto [redacted] were [redacted] yesterday – [redacted] least 10 [redacted] a high [redacted] day's trading [redacted] the [redacted] before [redacted] suspension.

The closing price surprised [redacted] Bolsa [redacted] management.

Mr Alf[redacted] Saenz, [redacted] provisional chairman, had [redacted] prior [redacted] trading [redacted] only [redacted] their [redacted] nominal value of Pta400, down from [redacted] par just [redacted] a month ago. The market, however, ignored his advice.

[redacted] performance yesterday [redacted] says [redacted] lot [redacted] the Spanish love of [redacted] flutter, [redacted] a [redacted] perception that there are underlying strengths [redacted] bank, which [redacted] authorities [redacted] virtually written [redacted] at the end [redacted]

[redacted] said [redacted] foreigners holding Banesto [redacted] sellers. They [redacted] by domestic buyers [redacted] were willing [redacted] speculate [redacted] value [redacted] intimated by the rescue plan engineered by Mr [redacted]

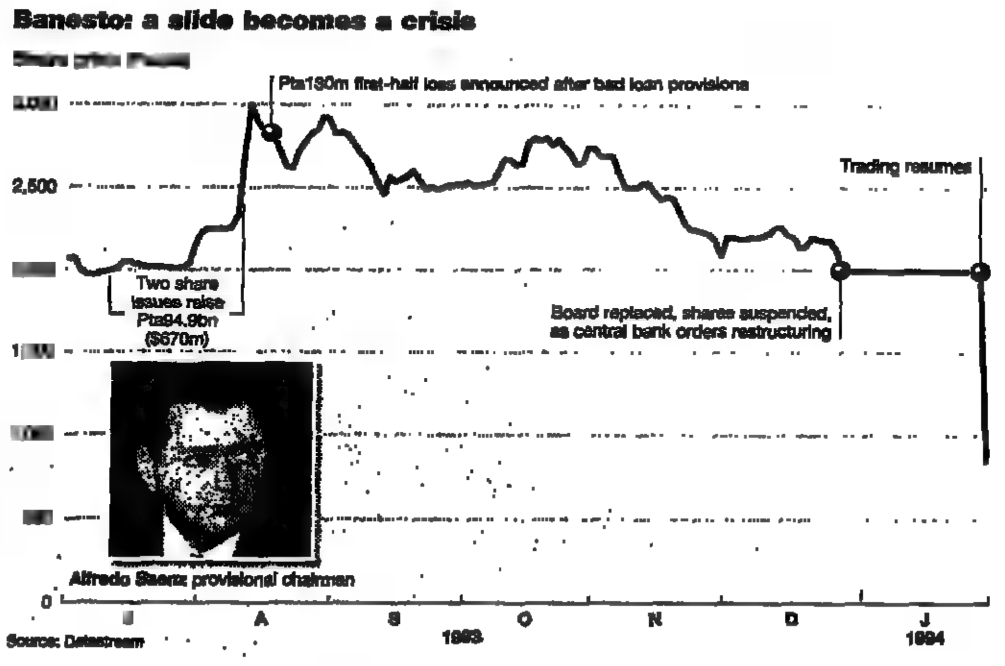
"If you are [redacted] rigorous, Banesto shares are worth at the very most Pta700," said Mr Juan Bastos, of Madrid [redacted] house Ibersecurities.

"[redacted] don't recommend anyone [redacted] buy Banesto [redacted] Pta600, [redacted] must [redacted] people [redacted] there who have expectations about the bank that I don't know about," he [redacted]

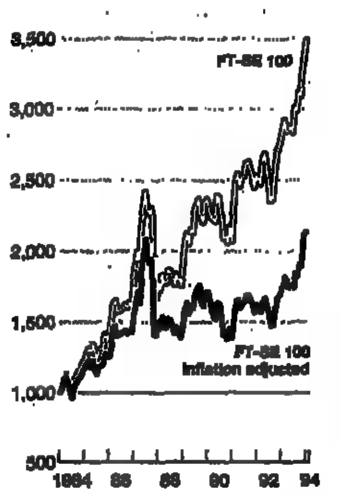
"This has been [redacted] one-day wonder, [redacted] month long wonder, [redacted] logic [redacted] Banesto's share price has got to come down," [redacted] Mr [redacted]sani, [redacted] of foreign trading [redacted] Madrid stock brokers Benito y Monjardin.

Banesto's return may be premature, Page 14

Banesto: a slide becomes a crisis



Source: Datastream



Source: FT Graphite

Equities at real high in London market

The FT-SE 100 index reached an all-time inflation-adjusted [redacted] 2,136.91 [redacted] Monday. As the chart points out, the previous high point for the index [redacted] reached on July [redacted] 1987, writes [redacted] Thompson.

The stock market [redacted] saw [redacted] FT-SE 100 plunge 500 points, or around [redacted] per cent, in [redacted] trading days, took [redacted] in [redacted]

[redacted] strategists, while pointing [redacted] that [redacted] markets [redacted] looking [redacted], yesterday highlighted the [redacted]ing outlook for UK interest rates and inflation between [redacted] and now. Retail investment [redacted] the higher returns available from the stock [redacted] than are [redacted] from building societies.

"Although [redacted] comparative price/earnings [redacted] and yields look similar to that [redacted] 1987, there is a much greater degree of [redacted] in [redacted] current inter[redacted] structure in the UK," [redacted] Mr Richard Kersley, UK equity market [redacted] BZW.

London [redacted] 21

United Newspapers acquires Harmon

By David Blackwell in London

United Newspapers, UK publisher of [redacted] Daily and Sunday Express, yesterday expanded its US advertising periodicals [redacted] through the acquisition [redacted] Publishing Company for $100m cash.

The purchase was [redacted] by United Advertising Periodicals, [redacted] subsidiary. [redacted] purchased.

United Newspapers [redacted] yesterday rose by 17p [redacted] 708p.

Harmon last year had a turnover of $70m and [redacted] profits of [redacted] It had net assets at [redacted] end [redacted] of [redacted], [redacted] which [redacted] represented collect[redacted] debts which were paid [redacted] in cash [redacted] completion.

Mr [redacted] Wilson, United's managing director, [redacted] Harmon was a good fit. "There will be significant merger benefits," he said, predicting savings on printing costs and on paper buying, as well as on joint use [redacted] distribution channels and display racks.

Lex, [redacted] 12

Chemicals restrain Eastman Kodak

By Martin Dickson [redacted] New York

Eastman Kodak, the [redacted] photographic equipment manufacturer, yesterday reported a 33 per cent drop in fourth quarter net income.

The drop, however, [redacted] due largely to lower profits at chemicals operations [redacted] has just [redacted] and one-time gains in 1992.

The company reported net earnings of [redacted], or [redacted] cents [redacted] share, [redacted] from [redacted] or [redacted] share, a year [redacted] Reve[redacted] dipped to $4.5bn from [redacted]

Fourth quarter earnings from continuing operations totalled [redacted], or [redacted] cents, down from [redacted] 77 cents, in [redacted] same period of last year, when the [redacted] had a [redacted] share [redacted] Eastman Kodak Credit Corporation and [redacted] investments.

[redacted] a lacklustre profits record for [redacted], ousted [redacted] chairman, Mr Kay Whitmore, last summer and replaced him with Mr G[redacted] Fisher, formerly chairman of Motorola.

For the full [redacted] it reported a net [redacted] of $1.5bn, [redacted] $4.62 [redacted] share, due mainly to the adop[redacted] new accounting standards, compared [redacted] earnings [redacted] $1.15bn, or [redacted] a share, in 1992.

Mr [redacted] said [redacted] excluding special charges, "the fundamentals show we [redacted] beginning [redacted] make real [redacted] in reducing our [redacted] base, improving productivity and strengthening our financial position through the generation [redacted] significant cash flow".

[redacted] operations in its [redacted] continuing businesses – imaging, information and health – had increased significantly [redacted] the [redacted], including [redacted] 20 per [redacted] gain in the fourth quarter, as manufacturing productivity improved and marketing, administration and research costs all declined.

He said the company was well [redacted] plan to achieve $2.8bn in cash flow by the end [redacted] 1995, which would [redacted] operating flexibility and allow [redacted] company to [redacted] off [redacted]

In [redacted] fourth quarter, earnings in [redacted] imaging [redacted] dipped 5 per cent, from [redacted] to $299m, while information turned [redacted] into a [redacted] profit.

[redacted] from the health [redacted] side rose 57 per cent, from $123m [redacted] discontinued [redacted] saw [redacted] per [redacted] drop to $45m.

Barry Riley

Why Rover has had to lead a dog's life

Deals [redacted] relationships [redacted] long summed up [redacted] contrast in styles [redacted] the Anglo-American corporate culture and the powerful industrial [redacted]mies [redacted] Germany [redacted] Japan. Now, with the global securities markets awash with American money and Germany and Japan both deep in recession and, arguably, facing [redacted] secular [redacted] momentum, the dealmakers [redacted] coming into their own.

That is one important aspect of the [redacted] BMW. Hon[redacted] partnership [redacted] Rover has apparently worked amazingly well, enabling [redacted] British com[redacted] revolutionise its production facilities [redacted] upgrade the quality [redacted] products almost beyond recognition. But it was always [redacted] risky [redacted] second-line Japanese company that could not afford the direct entry to Europe which Nissan and Toyota preferred.

[redacted] British Aerospace [redacted] way out [redacted] the [redacted] industry, [redacted] reasons which [redacted] scarcely [redacted] understandable than the motives which prompted it [redacted] deal its way *in* [redacted] years ago. It has made a good profit out of the trade – no doubt sufficient justification.

Ironically Honda is being supplanted by [redacted] company from Germany, from [redacted] corporate culture which, like that [redacted] Japan, [redacted] relied heavily on cross-shareholdings and semi-formal relationships. BMW itself insisted in 1990, for instance, on buying a small stake in Rolls-Royce to cement symbolically the two groups' aero-engine partnership. But Honda's 20 per cent [redacted] in Rover has given it little security. It [redacted] be that [redacted] is becoming influenced by [redacted] international institutional shareholders, just [redacted] Daimler-Benz, in [redacted] straitened financial circumstances, agreed to seek a New York listing and adopt US accounting standards last year.

Portfolio [redacted] like to have clear-cut investments; [redacted] relationships and cross-holdings do not fit into this picture at all. This deal will extend BMW's sta[redacted] as [redacted] European [redacted] (though its [redacted] focus [redacted] be [redacted] slightly) [redacted] will enable [redacted] be more clearly positioned as an arms and aerospace group. The share prices [redacted] both BAe and BMW rose sharply.

The group has been financially abused on an amazing scale

We can expect many more transactions of this type in future. There [redacted] almost unlimited [redacted] funds available to support divisional deals *between* companies, although stock market valuations are so high that it [redacted] rarely possible for companies [redacted] consider [redacted] – that is, buying shares directly from [redacted]

Where [redacted] will come out of this [redacted] another [redacted] The [redacted] group has been financially abused on an amazing scale over the past 30 years: pushed by the British government [redacted] unwork[redacted] mergers, then [redacted] eventually denationalised into transitory British ownership when an [redacted] seemed politically [redacted] controversial, [redacted] finally [redacted] to [redacted] German company [redacted] a quick turnround profit. It's a dog's life, [redacted] if you are called Rover.

Does Rover's exit symbolise the [redacted] of [redacted] British system of corporate ownership and governance? [redacted] all, BMW was [redacted] in a desperate state in the early 1960s, but was transformed. Now it is just one of three big German-owned motor groups, whereas the UK will in future have none.

The institutionally-owned British [redacted] simply [redacted] off in a different direction to the [redacted] market, which h[redacted]cally, [redacted] least, was more under the control of industrial interests and banks. The industrial climate in the UK had [redacted] change fundamentally before big motor compa[redacted] became easily manageable. However, British [redacted] average have delivered exceptional returns over the [redacted] 10 or 15 years, better than those of German companies. Two [redacted] three German car [redacted] been making big losses.

Certainly the British corporate culture is [redacted] criticism: [redacted] British [redacted] reasoned that the only way to make money out of cars is to wheel and deal in the companies that [redacted] them. However, the price in practice [redacted] not [redacted] the loss [redacted] a British car manufacturing industry, just [redacted] control.

[redacted] German companies come more and more under the influence of global investors, the question is where exactly that control is passing to. The Germans, as well [redacted] the Japanese, need to reassess their relationships.

Mergers help Italy's top bank to improve 29%

By Haig Simonian

[illegible] Bancario [illegible] Paolo di Torino, Italy's biggest bank, reported [illegible] per cent [illegible] in operating earnings in prelimi[illegible] issued yesterday. They [illegible] the [illegible] absorbing [illegible] big regional banking subsidiaries.

The [illegible] with [illegible] Lariano [illegible] Banca Provinciale Lombarda, the [illegible] banks controlled by [illegible] in the Lombardy region, formally [illegible] place [illegible] January 1 this year.

However, [illegible] bank [illegible] San Paolo's preliminary [illegible] for 1993 had been calculated [illegible] if the [illegible] had taken place [illegible] year earlier, as [illegible] related [illegible] the [illegible] were incurred entirely in 1993.

Operating profit soared 29 per [illegible] to L2,300bn ($1.4bn), while total financial [illegible] under management climbed [illegible] per cent [illegible] L189,500bn. Fee income surged 20 [illegible] cent [illegible] L5,800bn, reflecting [illegible] year's strong growth in earnings from securities. Interest income, meanwhile, [illegible] by just [illegible] per [illegible] to L4,000bn.

[illegible] Paolo [illegible] the proportion [illegible] non-performing loans, including mortgages, which account for about [illegible] per cent [illegible] loan book, [illegible] risen [illegible] per [illegible] of the total. It [illegible] the figure remained little more than half the average for the Italian banking sector, and [illegible] the impact of the [illegible]

Lending [illegible] the [illegible] branches [illegible] virtually stagnant, with [illegible] per [illegible] fall [illegible] L78,300bn.

The total loan book, including foreign loans, [illegible] per cent to L102,400bn. Deposits [illegible] domestic [illegible] L82,500bn.

[illegible] figures [illegible] the group – which includes the Crediop long-term lending institution, San [illegible] subsidiaries, [illegible] specialised [illegible] in [illegible] banking – will [illegible] until April. However, the [illegible] the expand[illegible] parent [illegible] position [illegible] Italy's biggest bank, with [illegible] branches, of which [illegible] opened [illegible]

M&S plans to offer pensions

By Alison Smith in London

Marks and Spencer, the [illegible] most profitable retailer, [illegible] life [illegible] pensions products from [illegible] in [illegible] existing financial services.

The company said [illegible]cial [illegible] salaried, and would receive no [illegible] incentive [illegible] sell.

It [illegible] provide the service in [illegible] stores [illegible] early [illegible] year, rising [illegible] by [illegible] end of 1995. The first six sites are intended [illegible] in [illegible] of city [illegible] and out-of-town shops. It [illegible] expecting [illegible] financial advisers.

The Equitable Life Assurance society will provide [illegible]sultancy and systems support, and will also [illegible] involved in product development and training plans. M&S [illegible] yet decided who should [illegible] fund management.

Mr Keith Oates, joint [illegible]ing director, said yesterday [illegible] hoped to announce [illegible] of products in the autumn. Its advisers will be recommending only M&S prod[illegible] and will [illegible] a recommendation [illegible] no product appropriate to [illegible] is available.

Lex, Page 12

Victoire sale report lifts Suez shares

By Alice Rawsthorn in Paris and Richard Lapper in London

Suez, [illegible] of [illegible] largest holding companies, yesterday [illegible] rise sharply [illegible] speculation [illegible] it [illegible] selling Victoire, the French insurance [illegible]

The [illegible] higher at [illegible] following [illegible] newspaper report that BAT Industries, [illegible] UK insurance and [illegible] conglomerate, [illegible] poised [illegible] acquire Victoire.

[illegible] and BAT declined to [illegible]

Victoire's ownership [illegible] been clouded by speculation since last autumn's deal whereby [illegible] full control of [illegible] by acquiring the minority stake held by Union [illegible] Assurances [illegible] Paris in part exchange for control [illegible] Colonia, the German insurer.

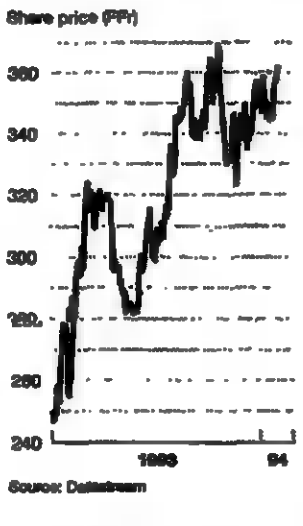
Victoire is the fifth-largest insurance company in [illegible] by analysts at about FFr15bn ($2.5bn). It [illegible] until recently [illegible] the [illegible] robust members [illegible] the recession-scarred French insurance industry, but last year [illegible] the problems at Baltica, the Danish [illegible] in which it has [illegible] holding.

A sharp fall [illegible] expected in Victoire's 1993 net profits. [illegible] reported [illegible] 41 per cent fall in [illegible] interim profits [illegible] FFr275m in [illegible] first half of the year [illegible] in [illegible] period of 1992.

However, Victoire is well-placed [illegible] from the anticipated recovery in [illegible] French [illegible] market this year. Allianz of Germany, Italy's Generali and [illegible] of France [illegible] been cited, alongside BAT, [illegible] purchas[illegible] for the [illegible]

[illegible]

Share price (FFr)



Source: [illegible]

Strong start to second big Italian sell-off

By [illegible] in Milan

Italy's [illegible] public privatisation [illegible] night [illegible] heavy oversubscription for [illegible] in [illegible]

According [illegible] Rome-based [illegible] services group, [illegible] 350,000 applications [illegible] from [illegible] on Monday [illegible] Tuesday, the first two days of the public offer.

The demand covered about [illegible] offered [illegible] retail [illegible]

The [illegible] first day's [illegible] the [illegible] in [illegible] sug[illegible] government's privati[illegible] gathering [illegible]

The [illegible] the IMI [illegible] belies [illegible] company [illegible] retail [illegible] its [illegible] unfamiliarity [illegible] of a [illegible] branch [illegible]

Fiat adds prize draw to bond

By Haig Simonian

Fiat, Italy's struggling cars [illegible] prides itself [illegible] being [illegible] trend-setter, [illegible] unveiled [illegible] financial gimmick.

The group, which this week forecast a L1,800bn ($1bn) net [illegible] 1993, is issuing [illegible] L1,000bn [illegible] to bolster its flagging finances. The bond is linked to [illegible] "prize draw". One hundred bondholders will win its new sports coupé, while [illegible] similar [illegible] will be awarded the high performance [illegible] of the new Punto small car.

Offering the prizes is a marketing coup. It may even overcome doubts about the group's bullish prediction of a return to break even this year.

Swiss investment group in cash call

By Ian Rodger in Zurich

BK Vision, a Swiss financial investment company, is raising SFr480m ($327.42) in its third rights issue in less than two years.

The company also revealed in its 1993 annual report that it had reduced its stake in CS Holding, the financial group built around Credit Suisse, and that Rolex, the Geneva watch-making group, was one of its leading shareholders.

Mr Martin Ebner, chairman, said the rights issue, which follows a SFr220m call last July and a SFr200m one in August, 1992, was a response to [illegible] demand. BK shares are trading [illegible] 13.5 per cent premium to their net asset value.

The company said proceeds [illegible] one-for-four [illegible] SFr1,600 per [illegible] share, SFr320 per registered share, would be used for investment.

Thanks to the strong perfor[illegible] and its insurance company shares, BK had [illegible] spectacular [illegible] asset value jumped [illegible] to SFr1.3bn, or [illegible] per share, at year-end, while the bearer shares nearly doubled to SFr2,000.

[illegible] to SFr366.3m from SFr62.8m, mainly as a result [illegible] disposals [illegible] Leu Holding [illegible] Banca del [illegible] Administration expenses, mainly performance-related commission fees paid [illegible] BZ Trust, the company's [illegible] soared to SFr250.1m from SFr6.5m.

BK [illegible] build [illegible] in [illegible] Bank of [illegible]zerland, where it is now by [illegible] the largest single shareholder with 9.6 per cent of the total equity, worth SFr1.8bn [illegible] the [illegible] UBS [illegible] for 69.3 [illegible] portfolio.

It reduced its [illegible] in CS Holding, which it acquired in an exchange for [illegible] Leu Holding [illegible] in November. Mr Ebner said he [illegible] it [illegible] right for BK [illegible] become [illegible] substantial shareholder in [illegible]

In line with [illegible] year's amendments to [illegible] law, [illegible] annual report [illegible] that Rolex Holding [illegible] main partner [illegible] BZ Group in controlling BK Vision. The [illegible] the registered [illegible] (10 [illegible] cent of the [illegible] capital). Rolex, owned by [illegible] Wilsdorf Foundation, [illegible] investment.

Volatile comeback for Banesto

The bank's return to the bourse may be premature, writes **Tom Burns**

The resumption of share trading in Banesto, the troubled Spanish bank, on Madrid's Bolsa yesterday was as volatile as its rescue plan is controversial.

Despite a warning by Mr Alfredo Saenz, Banesto's provisional chairman, that the true worth of the bank's share was its adjusted par value of Pta400, down from Pta700, they opened at Pta800 amid heavy volume.

"It's an absolute punt, a casino bet," said Madrid broker Mr Robert Maxwell whose firm, Maxwell and Espinosa, had been actively trading Banesto paper in the off-the-floor "grey" market before the stock was re-listed.

Banesto's existing shareholders, which include US institutions, the US investment bank J. P. Morgan and former members of Banesto's board, were, meanwhile, angered by the prospect that they would be barred from exercising pre-emptive rights in the capital increase that forms part of the bank's rescue plan.

The Corsair Fund, a portfolio managed by J. P. Morgan, invested $175m in a Banesto rights issue last year, paying Pta1,900 a share, to acquire some 8 per cent of the bank's equity. The rescue plan's re-capitalisation [illegible] to dilute the [illegible] funds [illegible] in [illegible] 2 per cent.

"At this point in time I have no idea [illegible] what rights," said a lawyer representing large Banesto [illegible] "I can't [illegible] how [illegible] being quoted again [illegible] nobody knows [illegible] full [illegible] still [illegible] approved by [illegible] general meeting."

The trading volatility [illegible] absence of any [illegible] problems, [illegible] its future prospects. The [illegible] board, which [illegible] of gross mismanagement, [illegible] sacked by the Bank of [illegible] on December [illegible] The [illegible] appointed to run Banesto [illegible] that the [illegible] has gross financing requirements of [illegible] ($4.2bn).

It also mirrored intense speculation that Banesto will, as a result of the rescue plan, end up as [illegible] subsidiary unit of one [illegible] large [illegible] banking groups. Banco Bilbao Vizcaya, [illegible] executives, including Mr Saenz, [illegible] provisionally run Banesto, [illegible] to control [illegible] bank. Banco Santander, the strategic leader of Spanish banks, [illegible] another.

The rescue plan, agreed [illegible] Mr [illegible] Bank [illegible] Spain [illegible] the [illegible] has Banesto [illegible] total [illegible] Pta320bn [illegible] restoring its balance sheet. This will be [illegible] by allocating all its [illegible] reserves to provisions, reducing [illegible] par [illegible] of [illegible] individual [illegible] and writing [illegible] further provisions [illegible] time.

The Bank of Spain and the private banks will [illegible] by acquiring, on [illegible] equal basis, non-performing [illegible] Banesto [illegible] value of [illegible] The [illegible] banks will [illegible] finance [illegible] capital increase for Banesto, which will [illegible] on [illegible] behalf by the Deposit Guaran[illegible] Fund, FGD.

[illegible] of [illegible] rescue plan, the [illegible] will publicly [illegible] equity within [illegible] During [illegible]tion, which [illegible] take place [illegible] early as [illegible] summer, the FGD will [illegible] controlling [illegible] of [illegible] for [illegible] strategic buyer, [illegible] a bank or [illegible] pool [illegible]

A senior [illegible] that only [illegible] FGD [illegible] underwrite the Pta180bn capital increase, paying the par val[illegible] of Pta400, [illegible] private [illegible] were taking on [illegible] consid[illegible] portion of [illegible] However, he [illegible] existing shareholders [illegible] their rights when the the FGD auctioned [illegible] equity [illegible] this [illegible]

[illegible] as contesting the FGD's monopoly [illegible] re-capitalise [illegible] the [illegible] largest existing [illegible] are [illegible]tioning the [illegible] the [illegible] assets, which the [illegible] management [illegible] be written down.

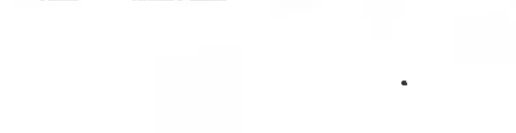
US congressional investigators have launched an inquiry into the involvement of J.P. Morgan's Corsair Fund with Banesto, and are questioning the overall safety of "vulture funds" that invest in troubled banks, writes George Graham in Washington.

Mr Henry Gonzalez, chairman of the House of Representatives banking committee, wrote this week to Mr Dennis Weatherstone, chairman of J. P. Morgan, and to Mr Alan Greenspan, chairman of the Federal Reserve Board, to demand an explanation of Corsair's links with Banesto and of how the Fed supervises bank [illegible] funds.

"The Corsair Fund was the first vulture fund approved by the Federal Reserve, and it invested solely in [illegible] bank that later failed. The committee wants to know exactly what happened to Corsair's investment in order to determine if future vulture funds should be approved," Mr Gonzalez said.

Morgan describes Corsair as [illegible] long-term investor in undervalued banks and financial institutions, not as [illegible] vulture fund, which usually buys the securities of companies already in trouble. Corsair invested $175m in Banesto.

Mr Gonzalez has already launched an investigation into [illegible] $255m deposit with Banesto made by US Central Credit Union, [illegible] Kansas-based institution which acts as a sort of central bank to other credit unions.



Tenneco profits double as Case continues recovery

By Laurie Morse in Chicago

Tenneco, the diversified US industrial company, saw operating income double in the fourth quarter [illegible] its J. I. Case farm equipment division [illegible] improve.

The group's natural gas division put [illegible] a strong perfor[illegible] but the packaging and automotive [illegible] businesses [illegible] income and revenues tumble during the quarter.

For [illegible] quarter, Tenneco reported net income from [illegible]tinuing operations, excluding restructuring charges, [illegible] $150m, [illegible] a share, compared [illegible] or 17 cents, in the fourth quarter a [illegible]

[illegible] $3.38bn, up from $3.31bn a year [illegible] Operating income jumped to $317m, from $160m in last year's fourth quarter.

For the year, [illegible] reported income [illegible] continuing operations, before special charges, [illegible] $451m, or $2.59, up [illegible] $160m, or $1.00, in [illegible]

[illegible] were $13.3bn, up slightly from $13.1bn.

[illegible] reported [illegible] operating profit of [illegible] the year, compared with a [illegible] $260m in 1992. It also reduced [illegible] by $400m during the year. However, [illegible] dipped [illegible] $3.7bn for [illegible], from $3.8bn in 1992, but improved in the fourth quarter as US demand strengthened. In the fourth quarter, Case [illegible] sales of $1bn, up from $966m [illegible] year ago.

Tenneco Gas recorded operating earnings of $120m in the quarter and $411m for the year, up from $111m and $360m respectively.

Natural [illegible] to $689m in the fourth quarter, from $685m a year ago, while for the year, sales increased to $2.9bn, from $2.1bn last year. Operating income from the automotive parts division fell to $29m, from [illegible] in the quarter, and [illegible] from $230m for the year. The packaging side saw fourth-quarter operating income drop to $21m from $64m and to $139m from $221m for the year.

PepsiCo lifted by US growth

By Richard Tomkins
in New York

PepsiCo, the [illegible] drink, snacks and fast-food restaurant group, suffered [illegible] results from [illegible] businesses. However, strong growth in [illegible] helped [illegible] group report [illegible] 12 [illegible] in [illegible] income [illegible] $442.5m for its fourth quarter, excluding unusual items.

The comparable quarter's net profit [illegible] included a restructuring charge, [illegible] PepsiCo [illegible] the figure [illegible] $394.1m, excluding the charge, was a better comparison. On that basis, earnings per share rose to 55 cents from 32 cents.

Mr Wayne Calloway, chairman and chief executive, said the strong volume growth in [illegible] PepsiCo's operations [illegible] fundamental vitality [illegible]

International beverage prof[illegible] by 65 [illegible] cent [illegible] $5.1m, reflecting [illegible] combination [illegible] expansion costs, [illegible] newly-acquired businesses, [illegible] strength of [illegible] dollar, and higher [illegible] pricing in [illegible] countries.

Profits from [illegible] 7 per [illegible] but international [illegible] 41 [illegible] of [illegible] development [illegible] poor [illegible] from [illegible]

[illegible] beverage profits rose 15 per [illegible] through volume growth, lower packaging and ingredient costs, and [illegible] adjustment [illegible] prior years' acquisition-related [illegible] snack [illegible] profits [illegible] per [illegible] profits 20 [illegible] $221.4m.

For the year, [illegible] per cent to $25bn. Net income [illegible] $1.59bn, compared with $374.3m last time, but PepsiCo said the [illegible] would have been 16 per cent without the previous year's charges. [illegible] that basis, earnings per share rose by 12 per cent to $2.

Wayne Calloway: volume growth indicated vitality

Knight-Ridder optimistic on earnings

Knight-Ridder, the US media group, expects its best year of earnings per share growth since 1989, Reuter reports.

The company reported fourth-quarter 1993 earnings a share of 93 cents, a gain of 17.7 per cent over the 79 cents a share in the fourth quarter of 1992. For all of 1993, it earned $2.68 a share, a gain of 1.1 per cent on 1992 before a cumulative charge of $1.91 a share for accounting changes.

In the quarter, the newspaper division recorded operating income of $99.7m, a 9.9 per cent gain, on revenues of $541.6m, 4 per cent ahead.

MIM details its plans for Musto investment

By Nikki Tait in [illegible]

MIM, the Australian metals group which is competing with Canada's Metall Mining for the Bajo de la Alumbrera project in north-west Argentina, yesterday released further details of its agreement with International Musto Explorations, the small Canadian group whose main asset is the rich Argentine copper-gold deposit.

MIM said that, of its proposed US$130m payment to Musto for a 50 per cent interest in the project, [illegible] represents repayment of [illegible] investment [illegible] to [illegible] The remaining $120m would cover Musto's half-share of the costs of putting the mine into production.

Total development costs are put at $600m, but about $360m is expected to come from project finance.

The deal between MIM and Musto comes on the heels of a hostile C$232m (US$175m) bid by Metall Mining, the international arm of Germany's Metallgesellschaft, for Musto. This, however, is conditional on Musto not signing a legally-binding joint venture agreement to dispose of a substantial part of its 100 per cent interest in Alumbrera.

Euro Disney banks call meeting on rescue deal

By Alice Rawsthorn
in Paris

Euro Disney's creditor banks will [illegible] today in Paris for [illegible] special summit meeting to map out [illegible] strategy for the final [illegible] negotiations [illegible] a financial rescue package for the ailing leisure group.

The banks, which include J. P. Morgan, Deutsche Bank and National Westminster, [illegible] originally hoped [illegible] the meeting to [illegible] an [illegible]gative audit [illegible] Euro Disney [illegible] they have commissioned from KPMG [illegible] Marwick, [illegible] accountancy [illegible]

However, KPMG has [illegible] unable [illegible] finalise [illegible] audit allegedly because of Euro Disney's [illegible] to [illegible] information. It has [illegible] prepared a preliminary report. The final [illegible] scheduled [illegible] completion in [illegible]

The [illegible] KPMG [illegible] analyse Euro [illegible]ney's [illegible] future requirements to verify information given to them by Disney [illegible] meeting in [illegible]ber. Banking [illegible] that so [illegible] KPMG's findings [illegible] not differ greatly from [illegible] Disney figures.

This [illegible] that [illegible] banks are likely [illegible] for a swift resumption of negotiations with [illegible]

The US group has already tabled proposals to halve Euro Disney's FFr20.3bn [illegible] by raising FFr10bn through a rights [illegible] and debt-for-equity swap.

However, the banks are keen that Disney should share the burden of the rescue. They will today discuss plans to reduce its entitlement to royalties from Euro Disney and possibly to inject capital by purchasing assets. The banks will also be briefed on their legal position by Gide-Loyrette-Nouelle, their lawyers.

Meanwhile Adam, a French pressure group that represents minority shareholders, is lobbying for the convertible bond holders (who hold FFr4bn of Euro Disney's debt) to see the KPMG report and to be represented in the negotiations.

The talks could be further complicated by continuing sales of Euro Disney debt on the US second-hand loans market. Midland Bank last month sold a FFr130m portion of debt for 60 per cent of its original value and a second sale is now [illegible]

Another sale, planned for last week, collapsed at the eleventh hour following a dispute over the entitlement to voting rights.

Chubb premiums continue to rise

By Richard Waters
n New York

Chubb, the US property/casualty insurer, recorded a further [illegible] in premium income in the final quarter [illegible] last year, although after-tax profits fell on lower [illegible]

The growth [illegible] premiums for the [illegible] as a whole [illegible] driven by [illegible] 10 [illegible] cent [illegible] in specialty commercial insur[illegible], while personal [illegible] standard commercial lines grew at [illegible]

Net [illegible] the [illegible] quarter dropped [illegible], or [illegible] a share from $197.5m, [illegible] $2.21, the [illegible] before, [illegible] investment gains dropped sharply [illegible] $25.4m from $77.4m.

Chubb further improved its underlying business, with net premiums up [illegible] from [illegible] the [illegible] before. For the [illegible] premiums rose 8 per [illegible] or 12 per [illegible] to $3.7bn, after a one-off item.

Lower catastrophe losses contributed [illegible] improved underwriting performance [illegible] the quarter. The company's [illegible]bined [illegible] ratio for the [illegible] months was [illegible] per cent, down from 104.7 per [illegible]

For the year, the underwriting results were hit by [illegible] after-tax charge, announced in the third quarter, to [illegible] asbestos-related claims.

As a result, the combined ratio for the [illegible] rose to 114.8 per cent [illegible] per cent before the asbestos charge) from 101.1 [illegible] cent the year before.

The asbestos charge reduced net income [illegible] the year [illegible] or [illegible] or [illegible] before accounting changes, from $617.1m [illegible] before. This included total post-tax [illegible] gains of [illegible] 1993, up from [illegible] in 1992.

● American General, the consumer finance [illegible] life insurance group, recorded a net [illegible] three months of [illegible] it wrote off $300m of acquired goodwill on two life insurance subsidiaries it plans to sell.

The loss, equivalent to [illegible] cents [illegible] share, compares [illegible] a profit of $134m, or 62 cents, the year before. [illegible] the group's three divisions, retirement annuities and consumer finance saw [illegible] in [illegible] earnings in the period, [illegible] $37m and $50m respectively, while life insurance earnings dropped to $72m from $82m on lower investment yields and a higher tax charge.

For the [illegible] income was [illegible], or 94 cents, [illegible] from $533m, or [illegible] in 1992.

IBM upgrades AS/400 system

By Louise Kehoe
in San [illegible]

International Business Machines has announced a [illegible] performance [illegible] of [illegible] widely-used [illegible] minicomputer.

The [illegible] declining revenues in [illegible] segments.

[illegible] week, IBM acknowl[illegible] revenue [illegible] in [illegible] fourth quarter [illegible], mainly [illegible] sluggish European [illegible]

[illegible] that [illegible] per cent drop in [illegible] revenues was "largely [illegible] to a [illegible] in [illegible] software".

More than [illegible] AS/400 systems [illegible] installed worldwide, running [illegible] 20,000 [illegible] applications.

The AS/400 "mid-range" product line [illegible] IBM's principal offering for large companies that are reducing the [illegible] their computer systems [illegible] switching [illegible] departmental net[illegible] "client-server" computer systems, and [illegible] upgrading from personal computer [illegible]

However, IBM [illegible] competition [illegible] Hewlett-[illegible] and other companies offering lower-priced, mid-[illegible] systems [illegible] on [illegible] instruction [illegible] computing (Risc) technology.

The [illegible] IBM model, [illegible] the [illegible] Model F97, will support [illegible] workstations, [illegible] many [illegible] the current top-of-the-line [illegible] F95. [illegible] at [illegible] $1.2m, it provides [illegible] power [illegible] up [illegible] storage.

Next year, [illegible] expected to announce another significant upgrade of [illegible] family [illegible] the PowerPC chip – a [illegible] Risc microprocessor [illegible]developed [illegible] and Apple Computer.

Partnership with Intel is updated

Intel and IBM have updated their long-standing technology partnership which [illegible] Intel microprocessors [illegible] personal computers, writes [illegible] Kehoe.

Under the [illegible] agreement, IBM will expand its [illegible] production of Intel-designed [illegible] microprocessors, [illegible] "brains" [illegible]. However, IBM has [illegible] to manufacture Pentium, Intel's [illegible] micro[illegible]

The companies [illegible] a [illegible] cross-licensing [illegible]ment that expired [illegible] year.

Intel will [illegible] "non-material" [illegible] to IBM "to regain exclusive [illegible] for Pentium and subsequent microprocessors," Intel [illegible]

[illegible] not to [illegible] Pentium chip [illegible] to [illegible] Intel microprocessor technology. IBM [illegible] to launch [illegible] generation [illegible] computers [illegible] microprocessors, co-developed [illegible] Motorola and Apple Computer.

"There is no question that PowerPC will compete directly with Pentium," acknowledged Mr James Cannavino, IBM senior vice-president.

However, he [illegible] IBM [illegible] continue [illegible] develop products based on Intel chips and said the timing of the announcement, [illegible] shortly before the expected introduction of [illegible] computers, was coincidental.

Intel is "[illegible] vital IBM partner and supplier of technologies that fuel [illegible] significant part of IBM's business," said Mr Cannavino. "We have a very large and growing business in Intel-based computers."

Mr Cannavino [illegible] IBM would have had to invest "hundreds of millions of dollars" in new production technology to produce the Pentium chip.

Molson income static at C$25.4m

By Robert Gibbens
in Montreal

Molson, the international brewing and retailing [illegible], [illegible] third-quarter profits [illegible] up well [illegible] turned in [illegible] performances.

[illegible] was [illegible] at [illegible] (US$19.2m), [illegible] a share, [illegible] C$25.3m, or [illegible] cents, a [illegible] of C$748m, against C$770m.

Nine-month earnings were C$99.3m, [illegible] C$1.68, against C$100.1m, [illegible] C$1.68, on reve[illegible] C$1.83bn against [illegible]

A [illegible] in Mol[illegible] Breweries, [illegible] subsidiary, was sold [illegible] Miller [illegible] the US last April. This saw [illegible] share of the brewing [illegible] fall to 40 per cent from [illegible] per cent. Its share of brewing profits in the nine months dipped 25 per cent to C$102m.

Beer exports to the US were up 22 per cent, mainly due to successful new products.

New beers were introduced in Canada, the UK and Australia, although domestic market share slipped slightly.

Diversey, the special chemi[illegible] unit, improved [illegible] and operating profit in North America, Europe, Japan [illegible] Latin America, but [illegible] from [illegible] fluctuations. Profitability still [illegible] in the [illegible] cleaning business.

The Malsham hardware retailing unit [illegible] ahead in [illegible] with volume up 16 per [illegible] and higher operating profit. Sports and [illegible]ment improved profits sharply, mainly because [illegible] special [illegible]

Cominco slides deeper into the red

By Bernard Simon
in Toronto

Cominco, the Canadian base metals group, suffered another [illegible], but reported improvements in production and cost controls in the fourth quarter.

The net loss, including gains [illegible], was C$113.2m (US$85.7m), or C$1.46 a share, compared with C$30.2m, or 42 cents, in 1992. Revenues dipped [illegible] C$982m from C$1.47bn, due largely to the spin-off of the fertiliser division.

While the operating loss for the year widened to C$129m from C$82.5m, it narrowed in the fourth quarter to C$4.4m from C$43.7m. The last figure included a C$30m inventory write-down, but metal prices last year were below 1992.

Cominco said output of its Red Dog zinc mine in Alaska climbed by 63 per cent in the fourth quarter to [illegible] tonnes [illegible]. Two mills came on stream in mid-January, and improvements in production and ore yields were expected this year.

The troubled Trail smelter in British Columbia broke even on an operating basis in the final three months, in spite of the slide in metal prices. The smelter's lead and zinc output last year was about 95 per cent of 1992 levels. The Quebrada Blanca project in Chile is to produce cathode copper in the second quarter of 1994.

No change in prospects for conversion in Taiwan

The government is divided over the pace and scope of financial liberalisation, writes our correspondent

More than four [illegible] Paper [illegible] the first Taiwanese company to tap the Euromarket in convertible [illegible] – via a [illegible] 10-year issue – prospects [illegible] conversion [illegible] equity [illegible] dim as [illegible]

This [illegible] dissuaded international investors, [illegible] exposure [illegible] Taiwan's fast-growing economy.

So difficult [illegible] it [illegible] buy [illegible] Taiwan's equity market [illegible] even the vaguest promises of direct access is enough to tempt fund managers.

Neither has it kept Taiwan companies from raising [illegible]

[illegible] YFY's [illegible] in 1989, [illegible] companies [illegible] issued $515m [illegible] SFr210m in "convertible" Eurobonds. Three Euroconvertible [illegible] were [illegible] in [illegible] month alone. [illegible] other companies have applications pending.

Last October, Taiwan's central bank agreed to allow [illegible] conversion [illegible] convertible bonds issued overseas, provided [illegible] approved the plan.

The measure was also subject [illegible] the US Securities [illegible] Exchange Commission's revision [illegible] regulations [illegible] overseas [illegible] of corporate bonds.

Analysts say that given the web of controls surrounding foreign investment in Taiwan's [illegible] market, [illegible] subject [illegible] convertibility poses a myriad trick questions for regulators.

To begin with, only foreign institutional investors (FIIs) approved by the central bank may invest directly in [illegible] shares: [illegible] individuals [illegible] not allowed [illegible] buy Taiwan shares. [illegible] Euroconvertibles [illegible] traded over-the-counter in the Eurobond market, the central bank has no control over who owns them.

The [illegible] statement suggested that bonds held by foreign individuals could be converted into global depository receipts.

However, [illegible] date just [illegible] Taiwan [illegible] have [illegible] on [illegible] exchanges equivalent [illegible] in [illegible] the Euroconvertible [illegible]

INTERNATIONAL EQUITY ISSUES

Conversion also [illegible] conflict with restrictions [illegible] foreign ownership [illegible] local shares.

The government imposes an overall ceiling of $5bn on total foreign funds which may be brought into the country to invest in Taiwan shares. There is [illegible] a $200m ceiling per approved FII, a limit of 10 per cent on total foreign ownership in the shares in issue of a particular stock and a 5 per cent limit on ownership by any individual FII.

Deep discord within the government over the pace and [illegible] of financial liberalisation ensures that in spite longstanding promises [illegible] loosen significantly restrictions on foreign investment in [illegible] bourse, in line with plans to join the General Agreement on Tariffs and Trade, [illegible] unlikely [illegible] happen [illegible]

Meanwhile, [illegible] either [illegible] the fixed return [illegible] profit by trading them. Taiwan share prices [illegible] currently viewed as [illegible] regional equity markets.

For issuers, Euroconv[illegible] represent cheaper financing [illegible] they could obtain [illegible] home. Last month's [illegible] coupons [illegible] 2 per cent, compared with [illegible] around [illegible] cent in [illegible] an [illegible] rating system for corporate [illegible] it difficult [illegible] all but big companies [illegible] funds locally.

This appears [illegible] a [illegible] in [illegible] Euroconvertibles, in spite [illegible] that the [illegible] companies are largely unknown quantities abroad.

Even medium-sized companies [illegible] considering issuing overseas – especially [illegible] Switzerland, where [illegible] and [illegible] with issuance are [illegible]

Given the plethora [illegible] the Eurobond markets and the snail-like pace of reform, Taiwan's curious unconvertible convertible bonds are likely [illegible] remain [illegible] fixture of the financial landscape [illegible] some time to come.

Taiwan may [illegible] bonds [illegible] denominated in foreign currencies, Reuter reports from Taipei. The issues could go ahead next year and would be the first of their kind since 1949.

A finance ministry official said the ministry still needed to discuss the proposal with the central bank, which has recently acted to curb fund inflows into Taiwan to reduce pressure for appreciation of the Taiwan dollar. However, the lifting of curbs on fund inflows is seen as inevitable given Taiwan's hopes of entering the General Agreement on Tariffs and Trade this year, the official said.

Taiwan's foreign debt is less than $1bn but private Taiwanese companies have been flocking to [illegible] bonds abroad.

LEGAL NOTICES

Company Number 683267
ADSIT LIMITED
Nature of business: Office Suppliers. Address of registered office: New Guild House, 45 Great Charles Street, Birmingham B3 2LX.
Type of Liquidation: [illegible] Voluntary.
Liquidator(s): John Alfred George [illegible] Pannell Kerr Forster, New Garden House, 78 Hatton Garden, London EC1N 8JA. Barry John Ward, Pannell Kerr Forster, New Guild House, 45 Great Charles St., Birmingham B3 2LX.
Office Holder No(s): 5053, 2700.
Date of appointment: 6 January 1994.
By whom appointed: The creditors.
Date: 17 January 1994

Israelis open tender for bank sale

By Julian Ozanne in Jerusalem

Israel yesterday opened the tender for the sale of 20 to 40 per cent [illegible] the shares in Bank Leumi, the country's second-largest banking group, marking [illegible] critical turning point in the government's plans [illegible] banks.

The move came [illegible] four international [illegible] local consortia met a government deadline [illegible] submit plans [illegible] participate in the sale of [illegible] Mizrahi Bank.

MI Holdings, the Israeli body charged with selling [illegible] the country's banks which were taken into public ownership after a share manipulation scandal in [illegible] said local and foreign investors interested in buying Bank Leumi would have to submit proposals by the middle of April and deposit [illegible]

In [illegible] Bank Leumi reported [illegible] net profits of $76m [illegible] consolidated [illegible] of [illegible]

Last year the government began selling [illegible] shares in Leumi and other banks. The government still owns 73 per [illegible] of the shares, with the public and Leumi employees holding almost 23 per cent and the original owners, the Jewish Colonial Trust, almost [illegible] per cent.

The government [illegible] it welcomes [illegible] single investors, holding [illegible] and foreign banks and will [illegible] the Leumi [illegible] with the sale of a controlling [illegible] Bank Hapoalim, the country's larg[illegible] bank. The [illegible] will [illegible] approved by banking authorities in the US, UK, Switzerland and other countries in which Leumi [illegible] operations.

In the Mizrahi sale, four groups [illegible] bidding [illegible] buy [illegible] 25.1 and 51 per [illegible] of the share in [illegible] expected to be completed by April. The leading [illegible] believed to be the La [illegible] which [illegible] prominent Israeli businessmen, [illegible] bank and Swiss mutual fund and Israel Aircraft Industries. In 1992 [illegible] reported profits of $40m.

Net profit rises 22% for Kuwait bank

By Robin Allen in Dubai and Mark Nicholson in Cairo

National Bank of Kuwait (NBK), [illegible] bank, has reported a [illegible] per [illegible] in [illegible] profits for [illegible] KD52m [illegible] from [illegible] in [illegible].

The [illegible] strong performance in [illegible] flat banking [illegible] expan[illegible] portfolio management [illegible] vices [illegible] returns [illegible] international [illegible] biggest international [illegible] of [illegible] Kuwait's [illegible] commercial [illegible]

Total [illegible] by [illegible] per cent [illegible] KD3.3bn, while [illegible] ers' [illegible] by 13.6 per [illegible] KD1.95bn. NBK already holds [illegible] than 40 per [illegible] deposits.

An NBK [illegible] shareholders' [illegible]. The board approved [illegible] per [illegible] and [illegible].

The bank [illegible] a capital [illegible] ratio [illegible] per [illegible] has consolidated [illegible] position [illegible] soundly [illegible] bank, according to analysts.

NBK was the sole Kuwaiti [illegible] bank [illegible] avoid serious damage from [illegible] collapse in 1982 of [illegible] Souq al-Manakh [illegible] market. It managed to continue operations during [illegible] Gulf war through [illegible] office.

A new [illegible] complex law aimed [illegible] resolving [illegible] legacy of [illegible] left by [illegible] crash, along [illegible] new [illegible] created by [illegible] country's occupation by Iraq, overhang Kuwait's banking sector. The sector [illegible] also [illegible] by [illegible] non-[illegible] the end [illegible] the Gulf [illegible]

[illegible] expand further [illegible] international network [illegible] representative [illegible] in Vietnam, for which [illegible] bank [illegible] approval in September.

Meanwhile, Dubai-based Mashreq Bank, [illegible] government control, announced [illegible] in net profits for [illegible] Dh250.5m [illegible] from Dh207m in [illegible]. Operating [illegible] last year by 6.1 per [illegible]. Pre-[illegible] profit after provisions [illegible] up [illegible] per cent [illegible] Dh27.51m ($72.4m).

Total [illegible] 8 per [illegible] Dh11bn, while customer [illegible] were up [illegible]

NEWS IN BRIEF

Westfield Trust plans rights issue

Westfield Trust, Australia's largest listed property trust, yesterday announced plans to raise A$285m (US$202m), [illegible] a one-for-seven rights issue, [illegible] Nikki Tait in Sydney. The issue price for the new units [illegible] pitched [illegible] compared with Monday's closing price [illegible] Westfield [illegible] that the funds would [illegible] finance the expansion and redevelopment of Westfield shopping centres.

● [illegible] Lippo Securities, [illegible] between Lippo group and [illegible] Bank Corp, will be Indonesia's first securi[illegible] to [illegible] public by offering 13.5m shares, 31.03 per cent of the enlarged [illegible] capital, Reuter reports from [illegible]. The initial public offering price will range from Rp7,500 to Rp8,500.

■ [illegible] Zealand's ASB Bank, 75 per [illegible] owned by Commonwealth Bank [illegible] Australia, posted [illegible] unaudited after-tax profit [illegible] NZ$23.06m (US$13.09m) in the six months [illegible], [illegible] 15.5 [illegible] cent increase over the [illegible] period, [illegible] reports [illegible] Wellington.

Benetton may diversify after move to raise L265bn

By Haig Simonian in Milan

Benetton, the Italian clothing group, may be gearing up for a big acquisition outside its traditional activities.

Mr Aldo Palmeri, managing director, said the company had not entered negotiations. However, he indicated it [illegible] looking [illegible] substantial acquisitions [illegible] "accelerate [illegible] ity [illegible] develop".

The comment came against the announcement of a L265bn ($156m) cash-raising exercise to broaden the appeal of [illegible] group's [illegible]

Benetton will [illegible] 10m new shares, priced at [illegible] each, to international investors, notably in [illegible] US, in [illegible] attempt to broaden [illegible] holding [illegible]

"Our shareholders are now [illegible] in Europe, especially Italy," said [illegible] Palmeri. "[illegible] want to attract new [illegible] tors from the US, [illegible] Far [illegible] and Europe."

The [illegible] will [illegible] Benetton's float to [illegible] 30 per cent [illegible] the [illegible] capital from [illegible] 25 per cent at present. The remaining stock [illegible] controlled by the Benetton family.

Mr Palmeri said the decision to [illegible] the float was taken partly in response to big investors, who had called for a more liquid market in the group's stock.

Some potential [illegible] had been prevented from buying stock [illegible] of internal rules prohibiting [illegible] purchases in companies [illegible] limited float.

[illegible] raised, along with last year's strong internal cash [illegible], would [illegible] Benetton poised [illegible] advan[illegible] opportunities, said Mr Palmeri. "We have nothing planned today, but [illegible] want to be able to [illegible] from [illegible] strong position," he [illegible]

Possible purchases could include other well-known brands, or companies which could help to lift Benetton's [illegible] in parts of the world [illegible] it [illegible] not yet fully developed.

Analysts expect [illegible] group, which will report its 1993 results in March, [illegible] a [illegible] of [illegible] L2,512bn.

Net profits [illegible] expected [illegible] by [illegible] than 10 per [illegible] the [illegible] made in [illegible]

Daewoo Motor drives into untapped markets

The South Korean carmaker is focusing on the Third World, reports **John Burton**

Daewoo [illegible] purchase of [illegible] Roma[illegible] car [illegible] Oltcit [illegible] in its [illegible] operate assembly plants and [illegible] networks in [illegible] countries.

South [illegible] third-largest car company, which had [illegible] 1993 turnover of $2.7bn, is gambling that it can achieve higher sales and earnings in [illegible] relatively untapped markets of the Third World rather than in [illegible] industrial countries, [illegible] competition among carmakers is fierce.

It [illegible] strategy that [illegible] guided [illegible] parent Daewoo [illegible], which built an industrial empire in Korea by taking [illegible] and reviving bankrupt companies, and [illegible] moving into [illegible] foreign [illegible] from Burma to Sudan.

[illegible] Woo-choong, the founder and chairman [illegible] the Daewoo group, [illegible] last year that he wanted [illegible] transform the unprofitable and [illegible] into one of the group's main companies.

The group, [illegible] fourth-[illegible] conglomerate, already owns leading shipbuilding, electronics and financial services companies.

He plans to quadruple Daewoo [illegible] output from [illegible] to 2.2m [illegible] by 2000, with [illegible] half the production located [illegible]

Daewoo [illegible] purchase last month [illegible] 51 per [illegible] Oltcit, [illegible] second-larg[illegible] motor [illegible] $156m provides it with its first production base [illegible] Europe. [illegible] is already [illegible] markets, accounting [illegible] per [illegible] last year.

This follows the signing of several other contracts [illegible] joint [illegible] car plants [illegible] last year. They include a [illegible] project in [illegible] to produce 200,000 vehicles beginning in 1996, [illegible] $600m assembly plant in Iran [illegible] will [illegible] operation in [illegible] 1995. [illegible] begin assembling cars in the Philippines and Vietnam. Other projects are being [illegible] in Libya, Peru, Pakistan and Tatarstan, Russia.

In China, considered its biggest potential market, Daewoo has established a joint venture factory for bus production, but Chinese officials have indicated that they will not allow new foreign car joint ventures until 1996.

Daewoo Motor's export drive follows the collapse of its eight-year-old 50-50 partnership with General Motors in 1992. Daewoo supplied the LeMans, the US version of the Opel Kadett, to GM on an original equipment manufacturing basis, but is now barred from exporting cars to western Europe and the [illegible] until [illegible] under [illegible] agreement with [illegible]

[illegible] plans [illegible] plant [illegible] springboard into [illegible] Europe, [illegible] production expected [illegible] 200,000 [illegible] by [illegible]

[illegible] other advantages [illegible] developing countries for production. It [illegible] able to acquire existing factories at [illegible] relatively cheap price, [illegible] marketing [illegible] are [illegible]

"It's probably [illegible] option," [illegible] Mr Don Lee, motor analyst for [illegible] in Seoul. "They don't [illegible] a product [illegible] really competitive [illegible] in the developing world [illegible] demanding than in Korea."

Although Daewoo [illegible] sales in Korea [illegible] by [illegible] per cent to 210,000 [illegible] last year, this [illegible] primarily due [illegible] extremely favourable consumer financing being offered [illegible] the company. [illegible] cars still suffer a quality image problem and the company lacks the [illegible] models being produced by its bigger Korean rivals, Hyundai and Kia. Exports increased by 83 per cent to 100,000 vehicles.

But [illegible] analysts believe that [illegible] making [illegible] mistake in expanding too quickly abroad. "The money would be better [illegible] in investing [illegible] home, because they [illegible] to improve their product quality [illegible] compete against Hyundai and Kia. If they perform poorly in Korea, export [illegible] will not [illegible] them," [illegible] Mr Chung Tae, [illegible] analyst at Jardine Fleming [illegible] in Seoul.

S African life assurer sells subsidiary to black grouping

By Matthew Curtin in Johannesburg

[illegible] Life, one [illegible] Africa's [illegible] life [illegible], [illegible] a controlling [illegible] in subsidiary [illegible] Life [illegible] a consortium [illegible] prominent black businessmen for R160m ($47m) in a significant move towards black economic empowerment.

Control in [illegible] Life, which has assets of R313m, will [illegible] a new company – it now has a working name [illegible] – [illegible] by [illegible] consortium and [illegible] number [illegible] black organisations ranging from [illegible] union federation [illegible] to church [illegible], the National [illegible] Stokvels – community-based savings organisations – [illegible] provident and pension [illegible]

This aspect [illegible] the [illegible] it apart from [illegible] moves towards [illegible] economic empowerment. Newly-formed [illegible] companies, with[illegible] community shareholders, gained an important [illegible] in Metropolitan Life, [illegible] middle-ranking life [illegible], and [illegible] control [illegible] the Sowetan, [illegible] leading [illegible] per, in [illegible]

Mr Don [illegible] Anglo American, which [illegible] Life, [illegible] Life would be "a mirror [illegible] African society" with [illegible] well-placed to become [illegible] foreign investment.

[illegible] acquire 51 [illegible] African Life [illegible] Southern [illegible] but the company's management would remain in place. The consortium had 120 days in which to raise the money to conclude the deal but had commitments in principle from the community and other groups to buy shares in Newco.

Mr Ncube said the acquisition was settl[illegible] only after exhaustive talks with community groups and Southern Life, and a due diligence study of African Life by accountants Arthur Andersen, paid for by the Black Integrated Commercial Support Network.

Treasuries weaken as data kindle inflation fears

By Frank McGurty in New York and Antonia Sharpe in London

US Treasury bond prices fell back yesterday morning on stronger-than-expected data [illegible] manufacturing activity and construction spending. The surprise resignation of the Federal Reserve Board's vice-chairman [illegible] [illegible] the market.

By midday, the benchmark 30-year government bond was ⅜ lower [illegible] 99[illegible], with the yield rising nearly 5 [illegible] points [illegible] [illegible] [illegible] [illegible]. At [illegible] short end, [illegible] two-year [illegible] was down [illegible] [illegible] [illegible] yielding [illegible] [illegible] cent.

The long [illegible] [illegible] [illegible] yield curve was hit by rekindled con[illegible] that sustained [illegible] growth in the first quarter could trigger higher inflation and undermine the value [illegible] fixed-rate investments.

The National [illegible] of Purchasing Managem[illegible] January [illegible] [illegible] closely watched leading indicator, [illegible] credence [illegible] this pessimistic [illegible]nario. The overall [illegible] [illegible] in [illegible] 57.7, against 57.1 in December, suggesting the economy was still gathering [illegible] while [illegible] prices-paid element of the index [illegible] up sharply from December, indicated mounting inflation pressures.

The Commerce Department also dampened spirits, reporting a rise of 2.6 per cent for December construction spending, much higher than the con[illegible] [illegible] [illegible] [illegible] 1.5 per cent gain.

These developments appeared [illegible] have [illegible] the likelihood [illegible] [illegible] Fed [illegible] soon tighten its policy [illegible] [illegible] [illegible].

Against this backdrop, the unexpected resignation of Mr David Mullins, [illegible] [illegible] [illegible]ond-in-command, [illegible] [illegible] cern. Traders [illegible] [illegible] [illegible] he would be replaced by [illegible] [illegible] oriented to [illegible] [illegible] [illegible].

■ The sell-off in [illegible] [illegible] spilled over into Europe yesterday, prompting [illegible] [illegible]ment bond markets to give up the gains they had made earlier in the day.

Some traders also attributed the [illegible] [illegible] in the UK government [illegible] [illegible] to rumours that a large line of stock, unrelated to last week's auction, had come on the market.

[illegible] [illegible] long gilt [illegible] broke through [illegible] [illegible] support [illegible] [illegible] [illegible] fell [illegible] the day's high of 119[illegible] to trade [illegible] 118[illegible] in the late afternoon, down [illegible] on the day.

By contrast, short-dated gilts [illegible] mostly unchanged on [illegible] hopes of an early interest rate cut. However, few [illegible] expected any [illegible] to

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emerge from today's monthly meeting between the chancellor of the exchequer, Mr Kenneth Clarke, and the Bank of England governor, Mr Eddie George.

■ [illegible] government bonds [illegible] futures [illegible] in a [illegible] [illegible] [illegible] as the [illegible] trod water before the Bundes[illegible] regular council meeting [illegible] [illegible] [illegible] impending [illegible] [illegible] [illegible] [illegible] [illegible]ber.

[illegible] [illegible] bund future on [illegible] [illegible] off an intraday high [illegible] [illegible] [illegible] [illegible] at 100.42 in the late afternoon, down [illegible] on the day.

Traders [illegible] [illegible] activity was fairly limited although they reported some buying [illegible] seven and eight-year [illegible] which had underperformed [illegible] [illegible] of [illegible] market recently.

■ Ecu bonds [illegible] [illegible] [illegible] less ground than many Euro[illegible] markets as [illegible] Republic of Portugal's new [illegible] 10-[illegible] global [illegible] provided [illegible] [illegible] with [illegible] liquidity. Dealers reported [illegible] switching out [illegible] [illegible] 6 [illegible] [illegible] [illegible] OAT [illegible] [illegible] into [illegible] [illegible] Portuguese bond by [illegible] who were not put off by the tight pri[illegible].

[illegible] [illegible] OAT [illegible] [illegible] [illegible] quoted [illegible] 100.17, down 0.09 point from Monday's closing [illegible] [illegible] [illegible] [illegible] Ecu bond future [illegible] [illegible] point lower [illegible] 121.46.

■ Japanese government bonds and futures were boosted in Tokyo trading after comments by finance minister Mr Hiroh[illegible] Fujii calmed [illegible] [illegible] [illegible] [illegible] oversupply. He said the government should avoid issuing deficit-financing [illegible] to [illegible] [illegible] [illegible] package.

The key [illegible] [illegible] [illegible] 0.85 point to 114.10 in Tokyo and firmed further in London trading to 114.53. [illegible] yield on [illegible] benchmark No 157 JGB eased to 3.47 per cent in Tokyo, [illegible] lower than [illegible] Monday close, and touched 3.42 per cent in London.

Mr Graham Turner, [illegible] Sumitomo Finance in London, said [illegible] although [illegible] Fujii [illegible] [illegible] the market that it [illegible] [illegible] all [illegible] "spend, spend, spend" [illegible] [illegible] [illegible] the [illegible] rally [illegible] [illegible] [illegible] hall[illegible] of a [illegible] [illegible] correction.

Canada turns in top performance

By Sara Webb

[illegible] [illegible] [illegible] top performing government bond market last month, [illegible] a combination of [illegible] inflation, high unemployment and [illegible] easing in short-term interest [illegible] prompted a rally and provided investors [illegible] a [illegible] of [illegible] per [illegible] in [illegible] currency [illegible].

"Investors' appetites for [illegible] fixed-income securities have been whetted by widespread expectations that Canadian bonds would continue to outperform their [illegible] counterparts . . . [illegible] expec[illegible] [illegible] been reinforced by [illegible] inflation performance [illegible] persistent high unemploy[illegible] levels in Canada, along [illegible] further gradual easing of [illegible] [illegible] by the Bank of Canada," says J. P. Morgan Securities in [illegible] [illegible]onthl[illegible] report on government bond performance.

Spanish government bonds ranked second with a return of [illegible] per cent in January, helped by an improving inflation picture and [illegible] [illegible] basis point cut in the Bank of Spain's intervention rate.

In general, the higher-yielding European government bond markets remained firm at the start of the year, while the [illegible] European government bond markets showed only small gains, [illegible] market participants became [illegible] optimistic about the prospects [illegible] a [illegible] term easing by the Bundesbank.

Japan [illegible] the worst performing government bond [illegible]ket, showing a fall of [illegible] per cent in local currency [illegible].

● The strong performance of bond markets last year boosted turnover on Euroclear, the world's largest international securities clearing house, to a record $17,300bn, up 77 [illegible] cent on 1992, writes Tracy Corrigan.

Euroclear is expected [illegible] have increased its share of the market with rival Cedel to more than 70 per cent. Average daily turnover [illegible] from $37bn [illegible] $66bn.

Euroclear gave rebates totalling $12m to the market, since it does not retain profits except for further investment in development.

Liffe introduces FT-SE Mid 250 futures contract

By Tracy Corrigan

The London International Financial Futures [illegible] Options Exchange (Liffe) will introduce [illegible] FT-SE Mid 250 futures contract on February 25, three [illegible] [illegible] [illegible] launch [illegible] rival instruments on OMLX, [illegible] [illegible] equity derivatives exchange.

[illegible] November, [illegible] London [illegible] Exchange awarded [illegible] [illegible] [illegible] derivatives on the index of medium-sized UK companies [illegible] [illegible] [illegible] [illegible].

Mr Daniel Hodson, Liffe [illegible] executive, [illegible] [illegible] [illegible] [illegible] no plans to introduce options at this stage. "If the contract [illegible] successful, [illegible] [illegible] [illegible] [illegible] introduce options [illegible] [illegible] early date, but the principal interest is in the futures," he said.

"We think that will give us enough [illegible] [illegible] [illegible] a considerable [illegible] [illegible] [illegible] business," [illegible] Mr Lynton Jones, [illegible] [illegible]tive of OMLX.

"There [illegible] [illegible] lot [illegible] business that [illegible] being [illegible] by fund [illegible] [illegible] the counter, on [illegible] understanding that it will [illegible] transferred on [illegible] [illegible] exchange (when [illegible] contracts [illegible] launched)."

VW's DM500m issue likely to attract investors on Continent

By Sara Webb

Volkswagen, [illegible] German [illegible] manufacturer, provided [illegible] highlight of the international bond [illegible] yesterday [illegible] the launch [illegible] a DM500m five-[illegible] Eurobond.

The [illegible] from Volkswagen International Finance, which [illegible] an A1/AA- [illegible] rating, [illegible] expected [illegible] [illegible] [illegible] [illegible] continental European investors, particularly [illegible] [illegible] retail sector [illegible] Volkswagen [illegible] a [illegible] [illegible].

However, some market participants were surprised by the choice of book-runner, CSFB, which succeeded in getting in ahead of the two German joint leads – Deutsche Bank and Dresdner Bank. It is [illegible] for [illegible] non-German house to act as book-runner in a deal for a German borrower, [illegible] [illegible] was a fair amount of speculation in the market that [illegible] had [illegible] the mandate on the grounds of aggressive pricing.

The bonds, which have [illegible] 5% per cent coupon, were priced to

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yield 32 basis points over the 5 per cent government bond due 1999. The deal will break syndicate today.

The other main feature of the Eurobond market yesterday was the burst of activity in the Swiss franc sector, where borrowers launched a flood of mainly equity-linked deals.

With [illegible] [illegible] interest [illegible] [illegible] [illegible] current low lev[illegible], specialists in the [illegible] point out that the only way to stimulate any investor interest is with the addition of an equity kicker, either using a convertible bond structure or by attaching warrants.

Among the other deals of the day, the Republic of Portugal's Ecu750m, 10-year issue [illegible] priced [illegible] yield [illegible] [illegible] points [illegible] [illegible] 6 per [illegible] [illegible] OAT due 2004. Morgan Stanley, one of the joint lead managers, said the bonds were still trading at the issue price of 98.325 by late afternoon. Meanwhile, the People's Republic of [illegible] [illegible] expected to launch [illegible] long-awaited $1bn bond issue shortly, dealers said.

■ The Philippine [illegible] [illegible] imposed [illegible] on the [illegible] that public and private institutions will be allowed to raise in the [illegible] bond [illegible] to prevent a recurrence of the [illegible] crisis of [illegible] [illegible], Reuter reports [illegible] Manila.

[illegible] [illegible] Singson, [illegible] bank governor, said the 1994 limit would be $2.5bn for long-term bond issues and $300m for short-term issues.

To keep within the target, [illegible] Singson [illegible] [illegible] Fidel [illegible] [illegible] [illegible] [illegible] agencies [illegible] corporations [illegible] have their borrowing plans approved by [illegible] [illegible] [illegible] [illegible] issuing [illegible].

■ Moody's Investors Service, the credit rating agency, [illegible] [illegible] [illegible] [illegible] [illegible] rating of [illegible] Holdings [illegible] [illegible] [illegible] [illegible]. The [illegible] for long-term deposits for Midland Bank, the UK banking subsidiary of HSBC Holdings, was also raised, to Aa3 from A1.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	[illegible]	[illegible]	Fees %	Spread bp	Book runner
US DOLLARS							
[illegible] Iron & [illegible] Co.(a)§	100	(2½-2¾)	[illegible]	[illegible]	[illegible]	-	[illegible]
D-MARKS							
Volkswagen [illegible] [illegible]	500	[illegible]	[illegible]	Mar.[illegible]	[illegible]	[illegible]	CSFB [illegible]
STERLING							
Japan Finance Corp.Muni.Ents.	100	[illegible]	[illegible]	[illegible]	[illegible]	+12 (8¾%-04)	SG Warburg Securities
FRENCH FRANCS							
European Investment Bank(b)	2bn	[illegible]	[illegible]	[illegible]	[illegible]	+14 (8½%-01)	Crédit Lyonnais
Soc. Gén. Acceptance(c)	[illegible]	zero	100.15	Mar.[illegible]	none	-	Société [illegible]
GUILDERS							
Nederlandse Waterschapsbank	[illegible]	5.75	[illegible]	[illegible]	[illegible]	+23 (5¾%-04)	ING Bank
PESETAS							
LKB Baden-Wurttemberg Fin.	15bn	7.55	101.67	[illegible]	[illegible]	-	Banco Central Hispano.
SWISS FRANCS							
[illegible]	500	(2.00)	100.00	Mar.2001	-	-	Credit Suisse
Bayerische Hypobank(e)	115	2.25	100.00	Mar.2001	-	-	Swiss Bank Corp.
Kommuninvest‡	[illegible]	4.00	102.10	Mar.1997	-	-	Credit Suisse
Nikori Co.(f)‡◊	[illegible]	0.375	100.00	Feb.1998	-	-	Swiss Bank Corp.

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. ‡Private placement. §Convertible. ◊With equity warrants. R: fixed re-offer price; fees are shown at the re-offer level. a) Fixing 3/2/94. Conv prem 10-15%. Callable at par from 1/4/96 subject to 130% rule; anytime if <5% outstanding. b) Domestic. c) Redemption proceeds: par + 8% x N/365; N is days 3-mth Pibor falls within declining range (6¾-5¾% to 5.4-4.4%). d) Fixing: 8/2/94. [illegible] [illegible] [illegible] Insurance Co. e) Denom: SFr10,000 +50 2-yr wrts. 5 wrts to 1 oz gold at $381.55. f) Fixing: 7/1/94.

WORLD BOND [illegible]

BENCHMARK GOVERNMENT BONDS

		Coupon	Red [illegible]	[illegible]	Day's [illegible]	[illegible]	[illegible] [illegible]	[illegible] ago
Australia		9.500	08/04	121.7400	-0.330	6.18	6.26	6.75
Belgium		7.250	[illegible]	105.8300	[illegible]	6.45	6.54	6.46
Canada *		7.500	12/03	107.8000	-0.400	6.41	6.44	6.69
Denmark		7.000	12/04	107.5700	-0.150	6.03	6.02	6.15
France	BTAN	[illegible]	[illegible]	[illegible]	-0.030	5.10	5.12	5.02
	[illegible]	5.600	[illegible]	[illegible]	[illegible]	[illegible]	5.72	5.65
Germany		6.000	09/03	102.1800	[illegible]	[illegible]	5.77	[illegible]
Italy		8.500	01/04	100.9500	+0.110	8.36†	8.37	[illegible]
[illegible]	No 119	4.800	[illegible]	106.0820	-0.610	3.06	[illegible]	2.97
	No 157	4.500	08/03	[illegible]	[illegible]	[illegible]	3.25	[illegible]
Netherlands		[illegible]	01/04	100.7200	[illegible]	[illegible]	5.72	[illegible]
Spain		10.500	10/03	118.0500	[illegible]	[illegible]	7.87	[illegible]
UK Gilts		9.750	01/98	114-05	+1/32	5.67	[illegible]	[illegible]
		[illegible]	11/04	103-22	-16/32	6.22	[illegible]	6.21
		[illegible]	10/08	122-32	-20/32	[illegible]	[illegible]	[illegible]
US Treasury *		[illegible]	[illegible]	[illegible]	[illegible]	5.71	[illegible]	5.86
		6.250	[illegible]	99-17	[illegible]	6.29	[illegible]	6.33
ECU (French Govt)		6.000	04/04	100.2700	-0.080	5.96	5.95	5.96

London closing, *New York mid-day. Yields: Local market standard.
† Gross annual yield (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

US INTEREST RATES

Lunchtime rates

		[illegible] Bills and Bond Yields			
		One month	[illegible]	[illegible] year	4.45
		Two month	3.08	Five year	5.09
Prime rate	6	Three month	3.10	10-year	5.71
Broker loan rate	5	Six month	3.30	30-year	[illegible]
Fed.funds	3⅛	One year	3.57		
Fed.funds at intervention	3⅛	Two year	4.16		

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	[illegible]	[illegible]	[illegible]	[illegible]	Low	Est. vol.	Open int.
Mar	[illegible]	[illegible]	-0.14	[illegible]	[illegible]	[illegible]	146,606
Jun	[illegible]	130.08	-0.14	130.38	130.02	1,418	[illegible]
Sep	129.56	129.26	[illegible]	129.56	129.20	1,075	[illegible]

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	CALLS Mar	Jun	Sep	PUTS Mar	Jun	Sep
128	-	2.54	-	0.05	0.45	1.03
129	-	-	1.72	0.11	0.76	1.44
130	0.88	1.25	-	0.32	1.17	1.96
131	0.32	0.77	-	0.80	1.86	-
132	0.10	0.45	0.59	-	-	-
133	0.02	0.24	-	-	-	-

Est. vol. total, Calls 22,332 Puts 22,996. Previous day's open int., Calls 282,495 Puts 226,218.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	[illegible]	[illegible]	[illegible]	Low	Est. vol	Open int.
[illegible]	100.56	100.41	-0.10	[illegible]	100.36	99811	157577
Jun	[illegible]	100.35	-0.11	[illegible]	100.40	173	5134

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS Mar	Jun	PUTS Mar	Jun
10000	0.63	1.10	0.22	[illegible]
10050	0.35	0.83	0.44	0.96
10100	0.17	0.62	0.78	1.27

Est. vol. total, Calls 19321 Puts 15772. Previous day's open int., Calls 248719 Puts 187660

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

	Open	[illegible]	[illegible]	High	[illegible]	Est. vol	Open int.
Mar	[illegible]	103.11	[illegible]	103.20	103.09	274	[illegible]

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	119.05	[illegible]	[illegible]	119.15	118.80	[illegible]	65061
Jun	119.33	119.05	+0.02	119.33	[illegible]	129	[illegible]

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	CALLS Mar	Jun	PUTS Mar	Jun
11850	[illegible]	2.46	0.65	[illegible]
[illegible]	0.69	[illegible]	0.87	2.15
11950	0.46	1.96	1.15	2.41

Est. vol. total, Calls 3958 Puts 1745. Previous day's open int., Calls 40636 Puts 37990

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	[illegible]	Low	Est. vol.	Open int.
Mar	[illegible]	106.95	[illegible]	[illegible]	[illegible]	34,400	93,777
Jun	[illegible]	106.86	[illegible]	107.25	107.00	264	8,321

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	[illegible]	Sett price	[illegible]	High	Low	Est. vol	Open int.
Mar	119-11	118-18	-0-21	119-12	118-16	66156	108241
Jun	[illegible]	[illegible]	[illegible]	118-24	117-30	[illegible]	[illegible]

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	CALLS Mar	Jun	PUTS Mar	Jun
118	1-04	1-47	0-32	1-40
119	0-36	1-18	0-63	[illegible]
120	0-16	0-59	[illegible]	[illegible]

Est. vol. total, Calls 3946 Puts 5720. Previous day's open int., Calls 103867 Puts 72126

Ecu

■ ECU BOND FUTURES (MATIF)

	Open	Sett price	Change	[illegible]	[illegible]	Est. vol.	Open int.
Mar	[illegible]	[illegible]	-0.04	121.82	[illegible]	3,056	13,891
Jun	96.82	[illegible]	-0.04	96.82	[illegible]	113	181

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	117-04	116-30	-0-07	117-06	116-25	279,259	350,081
Jun	115-31	[illegible]	-0-07	[illegible]	[illegible]	[illegible]	[illegible]
Sep	114-31	114-28	-0-11	[illegible]	[illegible]	[illegible]	[illegible]

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m [illegible] of [illegible]

	Open	Close	[illegible]	[illegible]	[illegible]	Est. vol	Open int.
Mar	114.15			[illegible]	114.15	[illegible]	0
Jun	113.16			[illegible]	113.16	[illegible]	0

* LIFFE contracts traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices UK Gilts	Tue Feb 1	Day's change %	Mon Jan 31	[illegible] interest	xd adj. ytd		Low coupon yield Feb 1	Jan 31	Yr. ago	Medium coupon yield Feb 1	Jan 31	Yr. ago	High coupon yield Feb 1	Jan 31	Yr. ago
1 Up to 5 years (25)	129.30	+0.05	129.24	1.62	[illegible]	5 yrs	[illegible]	5.65	[illegible]	[illegible]	[illegible]	7.01	5.99	[illegible]	7.20
2 [illegible] [illegible] [illegible]	161.26	-0.24	161.65	1.40	1.97	[illegible]	[illegible]	[illegible]	[illegible]	6.65	[illegible]	8.54	6.74	[illegible]	8.81
[illegible] [illegible] 15 years (8)	188.07	-0.34	188.67	1.21	1.79	[illegible]	[illegible]	6.51	8.40	[illegible]	[illegible]	[illegible]	6.75	6.70	[illegible]
[illegible] [illegible] (6)	228.14	+0.24	227.58	2.52	0.00	[illegible]	6.60	[illegible]	[illegible]						
5 All [illegible] (61)	156.22	-0.17	156.51	1.46	1.67										

Index-linked							Inflation 5% Feb 1	Jan 31	Yr. ago	Inflation 10% Feb 1	Jan 31	Yr. ago
[illegible] Up to 5 years (2)	191.41	-0.03	191.47	1.67	0.00	Up to [illegible] yrs	2.25	2.23	2.18	1.39	1.36	1.37
7 Over 5 years (11)	192.26	-0.02	192.28	0.82	0.57	[illegible] [illegible] yrs	2.93	[illegible]	3.71	2.76	[illegible]	3.63
8 All stocks (13)	191.25	-0.03	191.30	0.72	0.61							

Debentures and Loans						5 year yield Feb 1	Jan 31	Yr. ago	[illegible] year yield Feb 1	Jan 31	Yr. ago	25 year yield Feb 1	Jan 31	Yr. ago
[illegible] Debs & Loans (55)	157.76	+0.02	157.72	2.76	0.56	7.39	7.36	8.68	7.50	7.49	9.62	7.58	7.58	9.83

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	Feb 1	Jan 31	Jan 28	Jan 27	Jan 26	Yr ago	High*	Low*
Govt. Secs. (UK)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fixed Interest	132.59	[illegible]	[illegible]	132.63	[illegible]	[illegible]	[illegible]	[illegible]

* for 1993/94. Government [illegible] high since compilation: 127.40 [illegible] low 49.18 (3/1/75). Fixed Interest high since compilation: 133.87 (21/1/94), low 50.53 (3/1/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974.

GILT EDGED ACTIVITY INDICES

	Jan 31	Jan 28	Jan 27	Jan 26	Jan 25
Gilt Edged bargains	97.8	146.1	135.8	165.5	113.9
5-day average	131.8	[illegible]	[illegible]	121.8	117.9

UK GILTS PRICES

Other Fixed Interest

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 6:55 pm on February 1

Contract changes fail to halt advance at BAA

By Maggie Urry

A change [redacted] important retail [redacted] distorted the [redacted] of nine month figures from BAA, the former British Airports Authority. However, pre-[redacted] profits in the period to [redacted] end of December were little [redacted] by the change, rising [redacted] per [redacted].

At the six month [redacted] prof[redacted] up [redacted] £218m [redacted].

Sir John Egan, [redacted]tive, [redacted] the nine month figures "confirm our [redacted] in the prospects for the remainder of [redacted] current financial year and for [redacted] long term". BAA shares fell [redacted] to £10.55p.

Two of the company's leading retailers, [redacted] and Forte, switched [redacted] new contracts [redacted] year, under which they [redacted] paid [redacted] management fee with BAA taking their [redacted] turn[redacted] into [redacted] figure. This boosted [redacted] revenue figure, but also [redacted] operating [redacted].

Revenue [redacted] per [redacted] £873m, including [redacted] revenue up 51 per cent to £366m. Stripping out [redacted] effect of the con[redacted] changes, the underlying growth in retail revenue was 8 per cent. [redacted] income, [redacted] the [redacted] month stage, formed [redacted] largest source of revenue.

Passenger numbers [redacted] 5 per [redacted] but [redacted] of the RPI minus 8 per cent pricing formula [redacted] by the [redacted]ulator, [redacted] landing charges fell slightly.

Operating [redacted] from £443m [redacted] £545m, [redacted] comparable basis, [redacted] Mr Nigel Ellis, finance director, [redacted] were barely changed.

The [redacted] figure included [redacted] property write-down of £2.2m (£17.8m). Mr Ellis [redacted] that with the property [redacted] ending he hoped in future to see property write-backs.

The [redacted] charge [redacted] from £49m [redacted] with [redacted] debt at £621m, down from £748m [redacted] year earlier.

Tax of £77m was provided, based on [redacted] for [redacted] year, leaving earnings per [redacted] up 10 per cent [redacted] 42.2p.

Northern Rock tops £89m despite heavier provisions

By Alison [redacted]

Northern Rock building society, [redacted] UK's 11th largest society, yesterday reported a 29 [redacted] in pre-tax profits, [redacted] in 1993, despite [redacted] per [redacted] in provisions for [redacted] debts.

Mr Chris Sharp, managing director, attributed [redacted] rise in provisions, from [redacted] to £17.1m, [redacted] number of factors, including [redacted] fall in [redacted] values [redacted] repossessions [redacted] society's expectations.

Other factors reflected adjustments [redacted] a result [redacted] switch in mortgage indemnity guarantee insurance [redacted] from [redacted] Alliance [redacted] Commercial Union and [redacted] set[redacted] up of [redacted] general provision[redacted] fund.

[redacted] said [redacted] this [redacted] move was [redacted] innovation for the society. "We intend [redacted] highly profitable years, like [redacted] build up funds [redacted] a [redacted] for [redacted] future."

Mr John Wriglesworth, soci[redacted] analyst [redacted] UBS, [redacted] that [redacted] though most societies would [redacted] reporting markedly [redacted] provisions [redacted] compared with the previous [redacted] the [redacted] Northern [redacted] a prudent approach. [redacted] added [redacted] growth in profits [redacted] particularly impressive [redacted] it followed [redacted] sharp [redacted].

There [redacted] substantial balance sheet growth, despite a [redacted] in [redacted] faced fierce competition both for mortgage lending [redacted] savings.

Overall mortgage [redacted] rose by 20 per cent to £6bn (£5bn). [redacted] receipts [redacted] from £717m [redacted] £738m, helped by [redacted] popularity of [redacted] society's postal [redacted]. Total [redacted] grew from £6bn [redacted] £7.3bn.

The ratio [redacted] to 35 per [redacted] from [redacted].

Stronger UK demand helps Gardiner achieve £4.02m

By [redacted] Baker

Steady growth in UK [redacted] for [redacted] security helped [redacted] Group, the security and surveillance equipment distributor, announce improved pre-tax profits of £4.02m [redacted] the [redacted] October 31.

The [redacted] added 4½p yesterday to [redacted] at [redacted]p.

The comparative figure of £820,000 is [redacted] in accordance with FRS 3 [redacted] include [redacted] £2.03m exceptional closure [redacted] the Spanish [redacted]iary in 1992.

Turnover grew by [redacted] per cent to [redacted] (£73.8m), though [redacted] continuing operations the rise was [redacted] per cent.

Earnings per [redacted] were [redacted] (0.17p) [redacted] final dividend [redacted] 0.5p (0.19p) is recommended, making [redacted] total [redacted] 0.73p (0.66p).

Mr Harvey Samson, [redacted] executive, said [redacted] company [redacted] restored stability [redacted] caused by the discovery two years ago of falsified accounting which led to the departure [redacted] Yashar Turgut, the then chief executive.

[redacted] accounting policies [redacted] the company's asset valuation, resulting in a [redacted] of [redacted] assets [redacted] 31 [redacted] £13.3m [redacted]. The change [redacted] depreciation [redacted] and [redacted] of [redacted] for that [redacted] into [redacted] £620,000.

Gardiner Security, [redacted] market-leading UK subsidiary, [redacted] strong sales growth at stable margins. Mr Samson said that rising crime offered substantial growth potential in the residential sector where fewer than one in [redacted] homes had security systems.

The group's French and [redacted] both performed [redacted] in spite of recession. However, in Belgium and [redacted] a [redacted] economic climate made trading more difficult.

Stronger fourth quarter lifts Marine Midland Bank to $173m

[redacted] Gapper,
Banking [redacted]

Marine [redacted] Bank, the [redacted] retail banking subsidiary [redacted] HSBC Holdings, yesterday [redacted] closed a 59 per [redacted] rise in post-tax profits [redacted] $173.2m (£115.4m) [redacted] despite losing $203m [redacted] mortgage servicing contracts.

The bank, continuing [redacted] recovery from high levels [redacted] bad debt, [redacted] quarter post-tax profits by [redacted] per [redacted] to $45.4m ($35.6m). It made no provisions for loan [redacted] in the quarter, and released provisions [redacted] $115m in the year.

The bank lost $12m ($1.1m) in mortgage servicing [redacted] in the fourth quarter, suffering from having [redacted] write [redacted] value [redacted] servicing rights [redacted] consumers re-financed [redacted] mortgages [redacted] falling US [redacted] rates.

Mr James Cleave, president [redacted] chief executive officer, [redacted] Marine, a regional bank operating [redacted] York state, had raised profitability. It [redacted] reduced non-accruing [redacted] and mortgage servicing rights [redacted] below industry bench[redacted].

Allowances [redacted] loan [redacted] in [redacted] sheet fell by [redacted] cent to [redacted] ($529.9m), but [redacted] against non-accruing [redacted] from 75 [redacted] 102 per cent. Non-accruing loans [redacted] by [redacted] $341.4m ($697.8m).

Interest-earning [redacted] by 4 per [redacted] $15.2bn ($14.6bn), and the [redacted] ratio [redacted] core capital [redacted] risk-weighted [redacted] 10.1 per cent at the year-end from 9.1 per [redacted] the [redacted].

Return [redacted] common equity [redacted] the year [redacted] to 14.1 per [redacted] per cent) and return on assets rose to 1.03 per cent [redacted] per cent).

Moody's Investor Services said, following [redacted] results announcement, [redacted] raising Marine Midland's [redacted] rating from [redacted] A3.

HSBC [redacted] up [redacted] £10.14p.

Sainsbury to announce change in auditors

By Andrew Jack

J Sainsbury, the high [redacted] retailer, [redacted] expected to announce imminently [redacted] it intends to change [redacted] firm of auditors from [redacted] year.

In [redacted] statement likely to [redacted] through [redacted] Stock Exchange it will recommend that Clark Whitehill [redacted] replaced by Coopers [redacted] Lybrand.

The shift, [redacted] the UK's big[redacted] firm from a medium-sized [redacted] just a tenth of [redacted] size, represents [redacted] significant blow for smaller accountancy firms trying [redacted] retain [redacted] quoted companies [redacted] audit clients.

The move reflects [redacted]bury's growth and [redacted] ambitions towards [redacted] international expansion, which it [redacted] demands [redacted]ly-known accountancy firm with an international network [redacted].

The company began [redacted]ering [redacted] change in auditors [redacted] the end of last [redacted] and Coopers won the tender against competition from KPMG Peat Marwick.

Clark Whitehill will continue [redacted] joint auditors for the coming [redacted] and after that will remain as [redacted] the pension fund and provide consulting and [redacted].

Mr David Sainsbury, chairman, will [redacted] that the firm [redacted] provided high quality ser[redacted] in the past. The income from Sainsbury represents [redacted] per [redacted] Clark Whitehill's total billings.

Only [redacted] handful of large quoted [redacted] still audited by accountancy firms [redacted] the [redacted] six, such [redacted] Pannell [redacted] Forster, auditor [redacted] Williams Holdings.

Queens Moat talks continue

By Maggie Urry

Talks [redacted] Moat Houses, the hotel group, and its bankers over the extension [redacted] its standstill agreement [redacted] continuing yesterday.

The [redacted] Queens' £1.3bn [redacted] debt [redacted] at midnight on Monday. Talks were continuing to [redacted] "[redacted]tive", [redacted] yesterday.

[redacted] said talks [redacted] continuing with the steering [redacted]mittee, headed by Barclays Bank, and it could not [redacted]ment [redacted]. Although it is unusual for [redacted] standstill [redacted]ment not [redacted] be rolled over, bankers said [redacted] no party [redacted] taking precipitate action.

Berisford shares soar to 232p as trading resumes

[redacted] Urry

[redacted] in [redacted] International [redacted] night [redacted] 232p, 104p [redacted] the 128p price where trading [redacted] suspended [redacted] the announcement last month [redacted] the [redacted] buy the Magnet kitchen and joinery company.

[redacted] reverse takeover, which is [redacted] be financed by a 1-for-2 rights [redacted] 120p, was approved by [redacted] shareholders at a special meet[redacted] on Monday.

The volume [redacted] trading [redacted] high [redacted] existing [redacted] and 12.5m [redacted] the rights [redacted]. This [redacted] plac[redacted] held by [redacted] Pritzker's – Berisford direc[redacted] and [redacted] shareholders – and the [redacted] of [redacted] cent [redacted] in [redacted] company held by Compagnie Noga, a [redacted] group. The [redacted] placed by Hoare Govett, the broker, [redacted] 215p.

It is [redacted] that [redacted] British [redacted] which [redacted] a [redacted] per cent stake, had [redacted] some [redacted] rights but was planning [redacted] up [redacted] entitlement.

BMW/ROVER DEAL

BMW chief enthusiastic about future of the Mini

By Kevin Done,
Motor Industry Correspondent

"I personally am sure there is a market for the Mini under the Metro [redacted] an up-market small car," [redacted] Mr Bernd Pischetsrieder, [redacted] chairman and [redacted] man [redacted] holds the future direction of Rover, the car[redacted] hands.

[redacted] limited financial [redacted] Rover [redacted] never [redacted] make [redacted] business [redacted] developing [redacted] the 35-year-old Mini,but Mr [redacted] enthusiastic.

"Sure they will [redacted] now," he [redacted] "oth[redacted] can manufacture minicars but only [redacted]ture Minis. This [redacted] has a unique position in the world [redacted] US. To give that [redacted] be foolish."

He [redacted] that [redacted] takeover [redacted] on maintaining BMW [redacted] Rover as [redacted] separate entities, although [redacted] UK [redacted] will now [redacted] draw on BMW's [redacted] engineering [redacted].

"BMW engineers know [redacted] BMW is, but they [redacted] difficulties developing a Jag[redacted] They would think it [redacted] imperfect. If you [redacted] them [redacted] develop [redacted] competing [redacted] they would again develop [redacted] BMW."

[redacted] chairman [redacted] still [redacted] discover exactly what [redacted] own, but he [redacted] "it is [redacted] fraction [redacted] think you need to develop a proper [redacted] car".

> **'Others can manufacture minicars, but only Rover can manufacture Minis...'**

"[redacted] have a wind tunnel? [redacted] a test track in the south of [redacted] that Rover engineers can use. [redacted] have experts in suspension settings, [redacted] reduction and in electronics. They are [redacted] available [redacted]

Mr Pischetsrieder [redacted] that the first project that BMW will [redacted] will be the development of a [redacted] for the Rover [redacted] executive car, which was originally launched in 1986 and was largely engineered by Honda as a [redacted] car [redacted] the Honda Legend.

No joint project had been [redacted] with Honda to replace [redacted] car, and it [redacted] obvious part of the existing Rover [redacted] where BMW [redacted] begin to gain significant [redacted] through [redacted] of BMW [redacted]ponents.

Mr [redacted] says that the new generation 800 will be derived [redacted] platform of [redacted] BMW 5-Series, which [redacted] be launched in 1995.

German labour costs almost double UK level

Germany [redacted] the highest [redacted] motor industry labour [redacted] developed world [redacted] UK [redacted] according [redacted] a study by [redacted] German auto industry, writes Kevin Done.

[redacted] (£19) per hour [redacted] 1993 [redacted] double the UK's level of [redacted] according [redacted] figures from [redacted] German automobile federation (VDA), which exclude South Korea.

The gulf in labour costs [redacted] Germany and the UK [redacted] part [redacted] the strategy [redacted] BMW's [redacted] takeover [redacted] Rover, the leading UK volume carmaker, [redacted] on Monday.

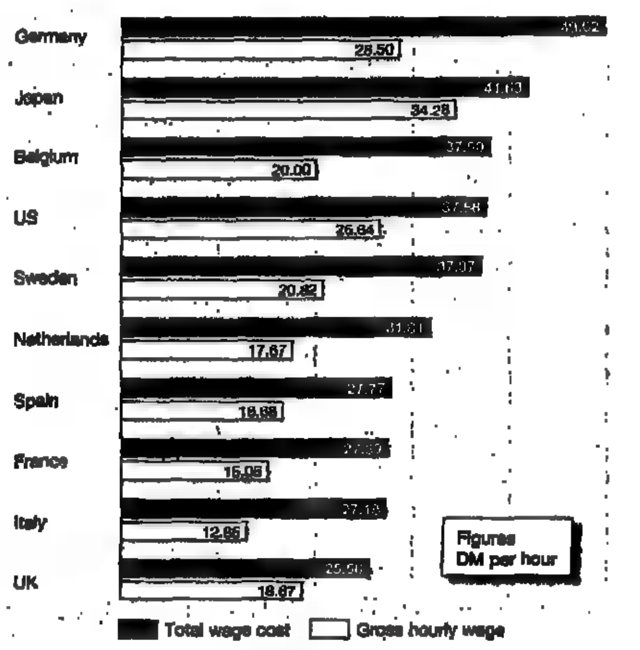
The acquisition gives the [redacted] executive [redacted] luxury [redacted] access, [redacted] to a [redacted] production base in Europe.

[redacted] a [redacted] of the [redacted] BMW has [redacted] its [redacted] plan to develop [redacted] small [redacted] sale [redacted] the BMW [redacted] has decided to [redacted] Rover the European [redacted] for [redacted] production of small and medium-sized front wheel drive [redacted] They will be under the Rover, rather than [redacted] BMW, badge.

The UK position [redacted] bottom of [redacted] labour [redacted] league [redacted] the result [redacted] very low level [redacted] costs, such as payroll [redacted] or [redacted] insurance. UK social costs accounted for only [redacted] cent of [redacted], compared with [redacted] per [redacted] Germany.

The appreciation [redacted] D-Mark and [redacted] against many other European [redacted]cies and the dollar [redacted] had a substantial impact on [redacted] competitiveness of leading vehicle producing countries.

World auto industry wage costs 1993



Source: Verband der Automobilindustrie (VDA)

Japanese carmakers [redacted] have [redacted] highest gross [redacted] levels in [redacted] world's auto industry [redacted] DM34.3 [redacted] hour, compared with [redacted] in Ger[redacted] DM18.7 in [redacted] UK and only DM12.9 in Italy.

Total Japanese wage costs [redacted] still 16 per [redacted] lower [redacted] German level, however, [redacted] to [redacted] much lower [redacted].

Japanese carmakers have rapidly [redacted] large produc[redacted] presence in North Amer[redacted] and Europe. Three [redacted] leading Japanese producers, Nissan, Toyota and Honda, have chosen [redacted] UK [redacted] location [redacted] first Euro[redacted] plants.

UK [redacted] production [redacted] by [redacted] per cent last year in con[redacted] to sharp [redacted] in [redacted]tinental European countries and [redacted] forecast [redacted] strongest [redacted] during the [redacted] the 1990s chiefly [redacted] a result [redacted] rising Japanese output.

The biggest improvement [redacted] competitiveness in total [redacted] last [redacted] came in [redacted] UK, Spain, Italy and Sweden largely [redacted] a result [redacted] the devaluation [redacted] countries' [redacted] against [redacted] D-Mark [redacted] the yen.

Italy [redacted] has the second [redacted] total labour [redacted] after the UK, but it is still 6 per cent above [redacted] UK level, [redacted] of much higher social costs, which [redacted] more than [redacted] the UK level.

Updated punchline for old German joke

[redacted] Christopher [redacted]
in Frankfurt

"BMW swallows Rover," proclaimed a front-page headline in yesterday's Bild, the popular daily. "English pissed off!" said the first sentence.

Bild, a splashy but [redacted] opinion former, [redacted] of the [redacted] rush [redacted] judgment after Monday's [redacted].

Mr Bernd Pischetsrieder, the BMW chairman, had delivered "a masterpiece [redacted] modern industrial policy," it said in a [redacted] BMW was big, strong, successful, and had come through the [redacted] industry cri[redacted] without a scratch.

The brilliance of the deal had bathed the whole of German industry in sunshine. "Onwards and upwards!" it concluded.

In its [redacted] flamboyant way, the Frankfurt [redacted] vigorously applauded [redacted] move. Following analysts' strong "buy" [redacted]tions, based mainly [redacted] allegedly low price paid for Rover, [redacted] shares closed DM51 (£19.40) higher yesterday [redacted] DM790 – bringing [redacted] surge [redacted] the [redacted] Monday trading, when the news broke, to DM107.

Daimler-Benz stock [redacted] a little [redacted] sun, too, [redacted] DM6 [redacted] DM818 after losing DM4 [redacted] previous day.

[redacted] quality press [redacted]edly guarded. Handelsblatt, [redacted] financial daily, [redacted] not [redacted] move [redacted] of [redacted] comfortable high-performance niche [redacted] altogether wise.

The [redacted] would [redacted] BMW's exposure [redacted] cyclical bumps of the car [redacted] it noted. [redacted] would [redacted] need continued financial support.

The Süddeutsche Zeitung [redacted] puzzled that [redacted] let the prize [redacted]. [redacted] the real reason liquidity problems, [redacted] were the Japanese trying to push the [redacted] ever [redacted] reason, it [redacted] BMW [redacted] not [redacted] too cocky.

The Frankfurter Allgemeine [redacted] which relegated the story to the fourth page [redacted] its business section, reflected [redacted] risk-aversion common in German [redacted] was not [redacted] the peak [redacted] health, and [redacted] profitability [redacted] in [redacted] diluted, [redacted].

Although [redacted] took the opportunity to revive an old German joke about British Leyland (once known [redacted] British Misery), [redacted] delicately avoided [redacted] nationalist [redacted] emotional [redacted] involved.

True [redacted] form, Bild quoted a UK [redacted] worker as saying: "Outrageous, why did [redacted] win the war?" But [redacted] side-stepped [redacted] even in [redacted] one splash [redacted] "The [redacted] great British [redacted] will [redacted]eigners in future."

Ashanti shows improvement

By [redacted] Gooding,
Mining Correspondent

[redacted] of Ghana, [redacted] on [redacted] London and Accra [redacted] exchanges, yesterday reported record gold production and earnings. [redacted] output last [redacted] 1992 level, [redacted] troy ounces to 770,410 ounces, while pre-tax profits jumped by 18.5 per cent from $76.4m [redacted] (£60.3m).

High capital expenditure on Ashanti's expan[redacted] programme during the year [redacted] the [redacted] charge from [redacted] so [redacted] profits after [redacted] accelerated by [redacted] per cent, from [redacted] $90.2m. Turnover was up by 15 per cent, [redacted] $275.1m.

Ashanti [redacted] adopted [redacted] US dollar for financial statements, as its revenues are in [redacted] of its fixed [redacted] purchases [redacted] are in currencies [redacted] to the dollar.

Ashanti, a 45 per cent-owned [redacted] Lonrho, [redacted] international conglomerate, said that [redacted] year proven and probable gold [redacted] from [redacted] 18.1m [redacted].

The only surprise in the results [redacted] that, despite [redacted] steady climb in [redacted] price [redacted] gold last year, [redacted] price Ashanti [redacted] for [redacted] output was [redacted] from [redacted] an ounce in [redacted] However, [redacted] full operating costs, including depreciation and royalty payments, [redacted] from [redacted] an [redacted] $235.

The company reported [redacted] progress [redacted] four [redacted] expansion programme designed [redacted] place [redacted] few [redacted] producing more than 1m [redacted] year by 1996.

Last [redacted] government of Ghana, which owns 55 per [redacted] Ashanti, said it would sell [redacted] 25 per [redacted] company via [redacted] flotation on its local and [redacted] the London [redacted] exchanges. The float, [redacted] expected [redacted] Ashanti [redacted] $1bn, is likely [redacted] completed in March.

[redacted] change in status, the name [redacted] being changed from Ashanti [redacted] Corporation (Ghana) [redacted] Ashanti Goldfields Company.

Kalon makes £6.2m purchase

Kalon, the paints group, is expanding [redacted] penetration [redacted] specialist decorative prod[redacted] market via the acquisition [redacted] principal [redacted] and goodwill of Vallance [redacted] Co, [redacted] subsidiary [redacted] Den Braven Sealants, for [redacted] including [redacted] tangible [redacted].

Products within [redacted] Val[redacted] include [redacted] putties, fillers, fire [redacted] tile adhesive, grouts [redacted] liquid nails. [redacted] latter has [redacted] growing [redacted].

Den Braven retains [redacted] trade [redacted] sealants. [redacted] this, no profits figure [redacted] attributed to [redacted] acquired business, though sales have been [redacted] as £12.5m.

Gartmore launches Latin American growth fund

Gartmore Investment Management [redacted] launching [redacted] Latin America [redacted] fund in co-operation with Indosuez Capital.

The [redacted] will invest in smaller companies throughout Latin America, but primarily in Brazil, Argentina and [redacted].

[redacted] closed-end fund, which will [redacted] dollar [redacted] and listed in Dublin from [redacted] end of February, hopes [redacted] about $100m from institutions.

Indosuez Capital [redacted] network [redacted] offices in Latin America, and will provide local research.

DIVIDENDS ANNOUNCED

	[redacted] payment	Date of payment	[redacted]-ponding [redacted]	Total [redacted] year	Total [redacted] year
Adscene ....int	2.5	Apr 6	[redacted]	-	5
Boxmore § ....fin	2.75	May 23	2.53	[redacted]	[redacted]
Caldwell § ....fin	0.6125	Apr 6	nil	1	nil
Colefax & Fowler ....int	0.5	Apr 7	0.5	-	1
[redacted] ....fin	[redacted]	Apr 15	0.19	0.73	0.66

Dividends shown pence per share net except where otherwise stated. §USM stock.

Cedardata for market with valuation of £30m

By Paul Taylor

Cedardata, a Surrey-based accounting and financial management software group, is coming [redacted] market [redacted] through a share placing which is likely to value the company [redacted].

The company, founded in 1983 by Mr Leon Fattal, as a computer bureau services company specialising in payroll and [redacted] processing, is [redacted] known [redacted] its modular [redacted] (Commercial and Financial Accounts Systems) software, [redacted] was [redacted] in 1987 and now [redacted] strong blue-chip customer base.

The core [redacted] the [redacted] soft[redacted] package, which [redacted] been developed and based [redacted] Oracle's relational database products, [redacted] the General Ledger. To this clients can add various other modules [redacted] their specific accounting requirements. Some 35 [redacted] are currently available.

Since [redacted] launch of Cfacs turnover and profits have grown rapidly. In the year to March 31, pre-tax profits were [redacted] on turnover of [redacted] In the current year [redacted] company expects [redacted] report profits [redacted] between £2.75m and [redacted] on turnover of about £6.05m.

As part of the placing [redacted] company plans to issue [redacted] to raise [redacted] additional £1m after expenses which will [redacted] to fund the future development [redacted] Cfacs, working capital and possible acquisitions.

The vendors, who include [redacted] Fattal, managing director with a holding of 57.6 [redacted] cent, and Mr Harry Menasche, sales director with [redacted] 10.1 per [redacted] stake, plan [redacted] retain about 50 per cent of the enlarged capital [redacted] the placing.

The listing particulars will be published on February 18 and the shares are expected to begin trading on February [redacted] The placing [redacted] sponsored by Greig Middleton.

Placing and open offer to fund acquisition heralds full listing

MY expands via Insight purchase

By Tim Burt

Ashley Ashwood

John Monks: deal marked the culmination of a two-year search for [redacted] substantial acquisition

Shares in [redacted] Holdings climbed 10p to 61p yesterday after the specialist packaging company announced plans [redacted] buy Insight, the carton manufacturer, [redacted] up to £21.3m.

The acquisition, funded by [redacted] £23m placing and open offer, [redacted] expected to promote the [redacted]pany from [redacted] USM [redacted] the Official List and [redacted] than [redacted] its market capitalisation to £45.8m.

Under the transaction, MY [redacted] acquiring Insight for £19.3m, pending pre-tax profits of £2.2m in [redacted] months [redacted] December 31 last [redacted].

MY will [redacted] Kent-based group a further [redacted] if [redacted] pre-[redacted] profits [redacted] £2.5m this [redacted]. In [redacted] period, the balance of [redacted] by [redacted] placing [redacted] offer will be [redacted] as short-term working capital.

Mr John Monks, chief executive, [redacted] culmination of [redacted] two-year [redacted] for a substantial acquisition opportunity.

Insight, which reported a [redacted] per [redacted] increase [redacted] pre-tax profits [redacted] on turnover [redacted] £12.1m in [redacted], would broaden MY's [redacted] and [redacted] profile in [redacted] packaging industry, [redacted] said.

He predicted [redacted] the enlarged group, employing more than [redacted] UK plants, [redacted] enjoy [redacted] per [redacted] increase in turnover.

Shareholders [redacted] promised [redacted] interim [redacted] of [redacted] least 0.5p in respect of the year to August [redacted].

[redacted] part of the deal, Tawney[redacted] – [redacted] wholly [redacted]iary [redacted] Malbak, MY's [redacted] African parent [redacted] – [redacted] ordinary [redacted] being [redacted] price [redacted] 52p.

[redacted] remaining [redacted] on Tawneydown's entitlement, [redacted] ordinary shares, will [redacted] placed with [redacted] by [redacted] which is sponsoring [redacted].

[redacted] acquisition [redacted] placing have [redacted] completed, Malbak's [redacted] MY will fall [redacted] to 65 per [redacted].

Existing [redacted] on the outstanding [redacted] shares, [redacted].

Mr Terry Neill, Insight's managing director and majority shareholder, [redacted] retain [redacted] ordinary [redacted] part of [redacted].

Boxmore expands with £13.4m buy

By Tim Burt

Boxmore International, [redacted] Ulster-based plastic packaging manufacturer, [redacted] expandin[redacted] into mainland Britain through [redacted] acquisition [redacted], a manufacturer of pharmaceutical labels, for a maximum £13.4m.

The deal will enable USM-quoted Boxmore to manufacturer and distribute pack[redacted] and labels for health care products throughout the UK and Ireland.

[redacted] Harold Ennis, [redacted] executive, [redacted] companies [redacted] terms after four months of negotiation.

Boxmore is paying an initial £10.1m, sat[redacted] by [redacted] placing of 3.15m shares at 250p [redacted] the allotment of [redacted] shares, 2.94 per cent of the enlarged [redacted] the vendors are retaining. There will be [redacted] profit-related payment of [redacted] £3.3m, [redacted] loan notes or shares.

Label reported profits of [redacted] (£1.08m) for [redacted] on [redacted] (£4.54m).

[redacted] is also raising £3.21m [redacted] help fund capital spending through [redacted] placing of 1.29m shares, also at 250p.

Existing [redacted] apply for all the placing shares on [redacted] 1-for-5 basis. Credit Lyonnais Laing is underwriting the placing and [redacted].

Boxmore [redacted] declared [redacted] interim for 1993, in lieu of [redacted] final, of 2.75p, making [redacted] (3.65p) for [redacted] year. [redacted], said Mr Ennis, reflected [redacted] strong [redacted] performance. Pre-tax profits for 1993 [redacted] expected [redacted] 21 per [redacted] (£3.6m).

The shares closed up 9p at 293p.

Fleming Japanese raising up [redacted] £250m

By Bethan Hutton

Fleming Japanese Investment Trust has placed £94.9m of a conversion share issue with institutions, and is seeking to raise up to a further £155.1m through a public offer, closing on February 28.

The trust is the largest in its sector, with net assets of £288m at the end of 1993.

The maximum issue size has been set fairly high at £250m to avoid the necessity of scaling down applications. Conversion of C shares into ordinary shares is due to take place between mid-March and the end of June, once 90 per cent of the new funds have been invested.

On conversion, one free warrant will be issued with every five ordinary shares, to rank equally with existing warrants, which are trading at about 140p.

Expenses for the issue are capped at 1.7 per cent, meaning that the 100p shares will have a net asset value of 98.4p or more.

The existing ordinary shares have been trading at a premium to net asset value of almost 8 per cent.

The C share issue was planned to take advantage of the weakness in the Tokyo stock market and buy in cheaply while the Nikkei index was trading at less than half its peak level. On Monday, the Nikkei climbed 7.8 per cent in one day on news that parliament had passed a political reform package.

However, Mr Patrick Thompson of Fleming Investment Management, said the rally was unlikely to continue at the same rate.

Ex-Lands seeks £20m to fund property buy

By Simon Davies

Ex-Lands, [redacted] property [redacted] leisure company, yesterday announced a placing and [redacted] to [redacted] a net £19.85m [redacted] acquisition of a substantial property portfolio.

The group, whose largest [redacted] the Saatchi brothers, [redacted] purchase Londinium [redacted] £16.5m, providing it with a number of office and industrial properties [redacted] rental income [redacted] £1.9m.

Ex-Lands [redacted] issuing [redacted] shares [redacted] 36p, compared with yesterday's closing price of 42½p, and £7.05m of 7.5 per cent convertible loan stock. The shares are being offered [redacted] existing shareholders on a 3-for-10 [redacted] and £3 of loan stock for every 50 ordinary shares.

This [redacted] company's [redacted] share issue in [redacted] months. [redacted] management [redacted] what [redacted] describes [redacted] a highly favourable climate for property acquisitions. In July last year, the company launched a £14.3m open offer and placement to [redacted] for several properties in southern England.

Londinium [redacted] 13 industrial/office properties around London, with a gross asset value of £12.5m. In addition, it [redacted] agreed to acquire several properties in the Great Western Trading Estate, Brentford, for £4.75m.

Ex-Lands will pay £16.5m for the combined assets, of which £10.4m will be utilised to pay off Londinium's existing debt.

Following the acquisition, Ex-Land's gross rental income will be increased to £5.6m, based on current rental rates.

The company is also involved in [redacted] number of golf [redacted] projects in continental Europe.

Margins improvement helps Adscene jump 50% to £1.4m

By Peter Pearse

[redacted] improvement [redacted] operating margins – [redacted] – helped Adscene Group, [redacted] Canterbury-based newspaper publisher, lift pre-tax profits by 50 [redacted] in [redacted] year [redacted] November 27. The [redacted] 10p [redacted] 300p.

The increase [redacted] £1.42m, was, [redacted] Mr Harry Lambert, [redacted] executive, "a result [redacted] in the publishing division", [redacted] in turn [redacted] a result [redacted] advertis[redacted].

Operating profits for the [redacted] 52 [redacted] to £1.27m [redacted] on turnover up 10 per [redacted] from [redacted] figure, [redacted] from advertising [redacted]. [redacted] climbed [redacted] in Kent, [redacted] all [redacted] titles are free; by 8 [redacted] in Lincolnshire, where all but [redacted] paid-for; but fell by 7 [redacted] in London, where [redacted] paid-for [redacted] half free.

Revenue from recruitment advertising [redacted] 41 per [redacted] the group, and though Mr [redacted] the [redacted] in [redacted] had [redacted] 80 per cent, it had been from a very low [redacted]. Revenue from retail advertising [redacted] from motor advertising 11 [redacted] cent, [redacted] "meant much [redacted] in [redacted] terms", he [redacted].

Circulations [redacted] paid-for [redacted] fallen in line with the decline across the industry, said Mr Lambert, though circulation revenue [redacted] higher, as some cover prices were raised.

Profits for the printing division [redacted] 20 per cent to £189,000 (£237,000) on turnover down 17 [redacted] cent [redacted] £1.06m (£1.28m). [redacted] Lambert [redacted] he thought the market [redacted] beginning [redacted] "firm up" with the bottom of [redacted] cycle already reached.

Group turnover was [redacted] per [redacted] ahead [redacted] £7.47m (£7.11m); earnings [redacted] 6.15p (4.64p) per share and the interim dividend [redacted] lifted [redacted] 2.5p (1.8p).

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetables.

TODAY

Interims- Bucknall, First Spanish Inv Tst, TR City of London Tst.

Finals- Fyffes

FUTURE DATES

Finals-

Drayton Far Eastern Tst	Feb 10
French Property Tst	Feb 7
Inchcape	Mar 28
Ramsden's (Harry)	Feb. 10
UK Safety	Mar 21
Warrants & Value	Feb. 8
Wickes	Feb. 17

NEWS DIGEST

Colefax returns to the black

Trading improvements in [redacted] areas [redacted] its [redacted] enabled [redacted] and Fowler Group, the wallpaper and furnishing fabrics maker, to swing from losses [redacted] £192,000 [redacted] profits [redacted] £50,000 pre-tax [redacted] the half [redacted] to end-October.

The shares responded with an [redacted].

Group turnover improved from [redacted] to £16.1m. A [redacted] cent [redacted] increase by Euro[redacted] operations overall was largely generated by the Jane Churchill brand. US [redacted] by 11 [redacted] cent.

Earnings per share [redacted] 0.15p compared with previous losses [redacted] 0.76p.

The interim dividend is a same-again 0.5p.

The book [redacted] of [redacted] (£210,000) on the sale [redacted] York warehouse will be provided for in the second half.

Mr Alan Smith, [redacted] executive [redacted] Kingfisher, has been appointed [redacted] non-executive director.

Assets swap for Cairn and Kelt

Cairn Energy, [redacted] oil and gas exploration and production company, [redacted] expanding [redacted] onshore activities in [redacted] UK with [redacted] acquisition of [redacted] UK's southern England licence interests.

Consideration for the deal, which [redacted] in a 28 per [redacted] interest in the Humbly Grove and Herriard [redacted] and [redacted] per cent holding [redacted] Horndean and Singleton fields as well [redacted] seven other licences in the [redacted] is [redacted] cash.

Kelt will [redacted] acquire [redacted] of Cairn's Yorkshire interests, including a 14.25 per cent [redacted] in [redacted] Ryedale [redacted] fields.

Mr Bill Gammell, Cairn chief executive, said the [redacted] would "give rise [redacted] considerable econ[redacted] in [redacted] combined operations".

Little change at Courtyard Leisure

Courtyard Leisure, [redacted] USM-traded [redacted] bar and restaurant operator, incurred [redacted] of £197,693 pre-tax for the half year [redacted] September 30.

The [redacted] included a [redacted] £24,907 on the [redacted] the [redacted]jamin Stillingfleet [redacted] bar and compared with [redacted] time's loss of £196,050.

Turnover declined [redacted] (£1.05m) [redacted] share emerged at 1.47p (1.88p).

Caldwell advances 50% to £487,000

Caldwell Investments, the Leeds-based textile company, reported a 50 per [redacted] in pre-tax profits for [redacted] year to October 31.

However, [redacted] USM-traded [redacted] lost 4p [redacted] 57p.

On [redacted] up [redacted] (£5.77m) profits [redacted] £487,000 (£322,000). From earnings per share [redacted] 4.05p (3.15p) net, or 3.76p (2.94p) fully diluted, a final dividend of 0.6125p is proposed for a total of 1p.

Mr Stanley Wootliff, chairman, said [redacted] with an expanded [redacted] base [redacted] new acquisitions and he looked for continuing improvement in [redacted].

Five Oaks £15m debenture issue

Five Oaks, [redacted] property [redacted]ment [redacted] development [redacted] issuing £15m [redacted] stock [redacted] refinance [redacted] short-term borrowings.

The issue of First Mortgage Debenture 2019 is underwritten by NatWest Capital [redacted] which [redacted] acting [redacted] placing agent. Dealings [redacted] expected to begin on February [redacted].

● The group [redacted] yesterday [redacted] purchase [redacted] a [redacted] ft [redacted] building [redacted] Sydney [redacted] London Properties for £3.45m, reflecting a net initial yield of 8.9 [redacted] cent.

Acquisition gives fillip [redacted] T&S shares

[redacted] in [redacted] 197p yesterday as [redacted] announced [redacted] acquisition since [redacted].

The [redacted] retailing and [redacted] operator is paying £2.13m [redacted] the Gibbs Newsagents chain. The deal includes [redacted] repayment by [redacted] term loan.

In [redacted] event that completion [redacted] a [redacted] value – [redacted] repayment [redacted] the term loan – [redacted] than £1.5m, the [redacted] will be reduced.

The [redacted] prises [redacted] in [redacted] southern [redacted] trading [redacted] traditional newsagents. In the [redacted] January 2 1993 the company made pre-tax profits of £534,000 on turnover of £25.7m.

Celsis Intl signs deal with Merck

[redacted] International, the diag[redacted] and monitoring [redacted] group, has signed [redacted]tion agreement with a potential minimum [redacted] (£467,000) with [redacted] & Co for [redacted] development [redacted] sterility [redacted] product [redacted] Merck's antibiotics.

Premier Land makes £17.6m acquisitions

Premier Land, [redacted] property investment company, has acquired [redacted] Shopping [redacted], Doncaster, from British Land [redacted] £13m and [redacted] portfolio of [redacted] retail shops from [redacted]ments, part of Berkeley de Veer, for £4.55m.

The company is also placing some 42.9m shares with institutions at 7p to raise £3m to part fund the acquisitions, with £1.25m being retained to provide working capital.

The balance will be satisfied through a mixture of cash, the issue of shares to the vendors, a loan from British Land and bank borrowing. British Land will initially receive 5m shares and has the option on a further 16.7m as repayment of £2m of the loan.

Premier said that as a result of the deals its rental income would exceed all debt servicing and overhead costs.

Union Square £73,000 in the black

Union Square, the property [redacted] and development group, turned in [redacted] pre-tax profit of [redacted] in the [redacted] months to end-September, against [redacted] time.

[redacted] nil tax charge [redacted] earnings per [redacted] of 0.04p (nil).

[redacted] the past [redacted] months [redacted] represented a period [redacted] for [redacted] now looking to rebuild the strength of [redacted] and improve [redacted] level of profitability.

Sharp turnround at Research Machines

Research Machines, a privately-owned computer manufacturer based in Oxfordshire, returned to profit following restructuring and a change of business strategy.

The company had been a leading supplier of computers to the education sector since its inception, but had been trying to expand into the business market. Now it has decided to refocus on education.

In the year to September 30 it made pre-tax profits of £2.53m, compared with a loss of £6.6m for the previous year when substantial restructuring costs were incurred.

Turnover rose slightly from £65.1m to £66.2m. Basic earnings per share were 12.4p (32.2p losses), or 11.3p fully diluted.

Operating costs were [redacted] by [redacted] during [redacted] year as operations were consol[redacted] on a single [redacted]. [redacted] company had [redacted] cash balances [redacted] at the year-end.

Flagstone losses increase

Pre-tax [redacted] of Flagstone Holdings, [redacted] marine, [redacted] and property [redacted], [redacted] from £161,000 [redacted] in the [redacted] July [redacted].

[redacted] explained [redacted] results of this USM-quoted [redacted] marina activity, the [redacted] investigating new acquisitions and [redacted] payable. Turnover fell from [redacted].

[redacted] share [redacted] (0.12p).

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 02.02.94 Pool purchase price £/MWh	Final Prices for Trading on [illegible] Pool purchase price £/MWh	Pool selling price £/MWh
0030	17.36	18.20	18.20
0100	20.50	25.82	27.55
0130	22.50	25.82	27.55
0200	22.50	25.82	27.56
0230	20.50	25.82	27.55
0300	20.39	25.82	27.56
0330	20.50	25.82	27.55
0400	17.44	25.82	27.56
0430	17.42	[redacted]	18.17
0500	17.24	[redacted]	18.11
0530	17.36	[redacted]	24.92
0600	17.24	[redacted]	24.92
0630	17.43	[redacted]	24.92
0700	17.36	[redacted]	25.36
0730	20.13	[redacted]	25.40
0800	20.13	[redacted]	25.80
0830	20.75	[redacted]	26.25
0900	20.75	24.61	29.34
0930	20.75	[redacted]	28.35
1000	20.75	[redacted]	28.35
1030	20.75	[redacted]	28.35
1100	20.75	[redacted]	27.40
1130	22.75	[redacted]	31.40
1200	22.75	[redacted]	32.00
1230	22.75	[redacted]	33.83
1300	22.75	[redacted]	33.81
1330	20.75	[redacted]	31.92
1400	20.75	[redacted]	27.37
1430	20.34	[redacted]	18.27
1500	20.75	[redacted]	18.27
1530	20.75	[redacted]	18.28
1600	20.75	[redacted]	32.41
1630	21.21	[redacted]	45.63
1700	23.24	[redacted]	62.37
1730	30.08	[redacted]	62.45
1800	30.23	[redacted]	48.77
1830	27.08	[redacted]	38.51
1900	25.08	[redacted]	32.01
1930	23.14	[redacted]	28.80
2000	22.84	[redacted]	28.75
2030	21.72	[redacted]	28.72
2100	21.14	[redacted]	28.72
2130	18.58	[redacted]	25.40
2200	18.80	[redacted]	25.38
2230	17.42	[redacted]	25.22
2300	17.30	[redacted]	18.20
2330	17.24	[redacted]	18.07
2400	17.24	[redacted]	18.04

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.88/MWh becomes [redacted] for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the [redacted]. Accordingly, due to the possibility [redacted] revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0602-[illegible] between 8.30am and 5.15pm Monday to Friday.
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[redacted] DEVELOPMENTS LIMITED

[redacted]

NOTICE IS HEREBY GIVEN pursuant to Section 48(2) of the Insolvency Act 1986, that a meeting of the unsecured creditors of the above-named Company will be held at the offices of Robson Rhodes, The Galleria, [redacted], Crawley, West [redacted] RH10 1HY, on the First day of March 1994 at 10.00 o'clock in the morning, for the purpose of having laid before it a copy of the report prepared by the administrators [redacted] of the said Act. The meeting may, if it thinks fit, establish a creditors' committee to exercise the functions conferred on it, by or under the Act.

Creditors are only entitled to vote if:

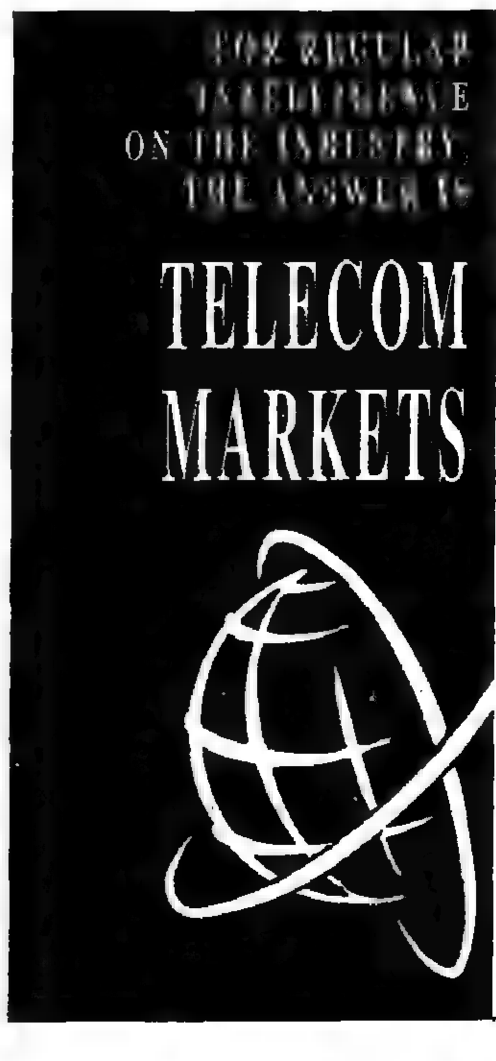
- they have delivered to us at the address shown above, no later than 12.00 hours on the business day before the meeting, written details of the debts they claim to be due, and the claim has been duly admitted under the provisions of the Insolvency Rules 1986 and
- there had been lodged with us any proxy which the creditor intends to use on his [redacted]

Dated the 26th day of January 1994

N RUDDOCK and R H [redacted]

Joint administrators [redacted]

Creditors may obtain a copy of the report, free of charge, on application to the joint administrators [redacted] at Robson Rhodes, The Galleria, Station Road, Crawley, West Sussex RH10 1HY



LME zinc stocks surge highlights need for cuts

By Kenneth Gooding, Mining Correspondent

The urgent [illegible] for zinc production cuts was emphasised yesterday when the London [illegible] Exchange reported that stocks of the metal in its [illegible] had [illegible] the first time moved above 1m tonnes.

[illegible] responded in early LME trading by dropping below the psychologically-important $1,000-a-tonne [illegible] [illegible] touch $993. But hopes that relief might soon [illegible] on the [illegible] spurred [illegible] strong [illegible] [illegible] metal for delivery in three months closed last night [illegible] $1,015.50 up [illegible].

European producers are [illegible] present considering a so-called smelter shut-down agreement, worked out at recent meetings. They are widely expected [illegible] give their approval before the end of [illegible] month.

The arrangement would involve one or [illegible] European [illegible] being [illegible] [illegible] the [illegible] being shared by [illegible] industry [illegible] a whole. The [illegible]ducers [illegible] that there [illegible] [illegible] structural overcapacity [illegible] [illegible] European [illegible] industry for [illegible] years, stemming from [illegible] optimistic predictions about demand growth [illegible] in [illegible] 1970s. For some years [illegible] for closures [illegible] eased by demand [illegible] [illegible] former [illegible] Union, which [illegible] taking 100,000 [illegible] a year. [illegible] [illegible] region is exporting 100,000 [illegible] a year.

Mr Jacques Spaas, secretary-general of Eurometaux, [illegible] Brussels-based organisation that has provided a forum for the shut-down talks, [illegible] [illegible]terday there was no need [illegible] further meetings because [illegible] formula had been worked out and producers now only had to [illegible] [illegible] support it. At that point [illegible] European Commission's approval would be sought and, [illegible] obtained, [illegible] cuts could begin.

LME [illegible] STOCKS [illegible]		
Aluminium	+16,275	[illegible]
Aluminium [illegible]	[illegible]	[illegible]
Copper	[illegible]	[illegible]
Lead	[illegible]	to [illegible]
Nickel	[illegible]	to [illegible]
Zinc	[illegible]	[illegible]
Tin	-110	to 20,785

Some analysts anticipated that [illegible] financial problems of two big European groups – Metallgesellschaft of Germany, which [illegible] the Rhurzink smelter, and the Spanish banking combine Banesto, [illegible] controls [illegible] per cent of Asturiana [illegible] [illegible] – would prolong negotiations. But Mr Spaas [illegible] this turmoil [illegible] [illegible] no [illegible] delay.

The producers [illegible] giving no hints about which smelters [illegible] close but analysts suggest four have recently been removed from [illegible] [illegible] of candidates: Avonmouth in the [illegible] [illegible] Berzelius in Germany [illegible] both recently acquired by MIM of Australia. Both [illegible] ISP (Imperial Smelting Process) technology capable of treating the complex lead-zinc concentrate (intermediate material) MIM will be producing [illegible] its McArthur River project in Australia's [illegible] Territory, due on stream in [illegible].

The Budel smelter in the Netherlands, jointly [illegible] by Pasminco, [illegible] Australian [illegible] company, and Billiton, part [illegible] the [illegible] Dutch/Shell group, recently [illegible]torily [illegible] negotiations [illegible] [illegible] Dutch authorities [illegible] [illegible] [illegible] the [illegible] [illegible] it produces. [illegible] Union Min[illegible] Balan [illegible] [illegible] Belgium [illegible] also thought [illegible] [illegible] [illegible] [illegible] UM [illegible] [illegible] [illegible] financial charge [illegible] it [illegible] capacity [illegible] nearby Overpelt.

[illegible] [illegible] other [illegible] [illegible]rop [illegible] [illegible] it will probably temporarily [illegible] its [illegible] plant at Noyelles-Godault in [illegible] while it investigates [illegible] explosion – [illegible] second in [illegible] few [illegible] – [illegible] destroyed part [illegible] its refining capacity there.

The [illegible] big [illegible] [illegible] within [illegible] [illegible] [illegible] [illegible] Crotone plant ([illegible] [illegible] capacity) and Nuova [illegible] Porto [illegible] plants (160,000 tonnes) in Italy; [illegible] [illegible]rop's Nordenham smelter (130,000 tonnes) in Germany.

Analysts suggest [illegible] zinc [illegible] can expect no [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] half of [illegible] [illegible] [illegible] world's general [illegible] health might improve. [illegible] capacity cuts, they say, [illegible] [illegible] [illegible] likely to [illegible] high [illegible] prices low.

MARKET REPORT

Aluminium prices resume rally

London Metal Exchange **ALUMINIUM** prices continued [illegible] benefit yesterday from the positive sentiment [illegible] by the draft agreement [illegible] cutting global production. Speculative [illegible] fund buying lifted the [illegible] months price to [illegible] a tonne, a [illegible] gain from Monday, with the rise also fuelled by [illegible] buying of March and April $1,300 call options.

The **COPPER** market, although remaining nervous about [illegible] implications of huge losses in futures trading suffered by Codelco, [illegible] Chilean state producer, [illegible] [illegible] $20 higher in the three months position and trying to erode chart-based resistance around [illegible] [illegible] tonne.

The London **GOLD** [illegible] again [illegible] higher by **SILVER**, which gained 17 [illegible] to $5.21½ [illegible] [illegible] troy ounce and [illegible] like testing resistance at [illegible], traders said. The yellow [illegible] closed at [illegible] [illegible] ounce, up $6.50 on [illegible] day.

Compiled from [illegible]

Cocoa prices tumble to 4-month lows

By [illegible]

Cocoa [illegible] tumbled [illegible] their lowest levels for [illegible] [illegible] [illegible] in [illegible] yesterday, spurred by heavy selling by [illegible] in [illegible] [illegible] [illegible] previous night.

The [illegible] position [illegible] [illegible] dropped [illegible] [illegible] [illegible] of [illegible] [illegible] before [illegible] up [illegible] [illegible] £45 [illegible] at [illegible]. [illegible] [illegible] [illegible] in [illegible] York, with the May position [illegible] $27 [illegible] [illegible] [illegible] trading [illegible] losing [illegible] on Monday.

[illegible] and analysts [illegible] [illegible] sharp [illegible] [illegible] largely technical, with no [illegible] [illegible] [illegible] [illegible] fundamentally bullish [illegible] of [illegible] third [illegible] [illegible] in cocoa supplies [illegible] [illegible] 1993-94 [illegible]. London trader E.D. & F. [illegible] is forecasting [illegible] [illegible] the following [illegible] too.

However, [illegible] [illegible] appeared [illegible] [illegible] move out [illegible] long positions [illegible] [illegible] [illegible] [illegible] [illegible] sideways [illegible] [illegible] past [illegible] weeks, [illegible] [illegible] [illegible] in [illegible] York pro[illegible] [illegible] trigger. Computer-generated sell programmes and a lack of trade buying exacerbated the slide.

The market continued trading under London Commodity Exchange rules [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] despite [illegible] fall of more [illegible] [illegible], [illegible] previous daily limit before trading [illegible] [illegible].

"There's [illegible] [illegible] [illegible] of [illegible] shake-out [illegible] [illegible] [illegible] [illegible] [illegible]lators," [illegible] [illegible] analyst. "But we're [illegible] £200 higher [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] probably [illegible] [illegible] fact [illegible] [illegible] [illegible] declining."

Cocoa prices [illegible] [illegible] hovering around [illegible] [illegible] [illegible] since [illegible] sharp [illegible] from a peak of [illegible] in December. This [illegible] sparked by news of high arrivals of [illegible] from Ivory Coast, [illegible] world's main producer.

"The trade has pulled out [illegible] been waiting for lower prices," said Mr Lawrence Eagles, analyst with GNI, the London brokers. "There's no real support until they decide prices [illegible] cheap. They could drop [illegible] [illegible] as [illegible]."

Kazakhstan aims to boost gold output by at least 200 per cent

By Kenneth Gooding

Abdrakhman Begalinov hopes for more foreign [illegible]

Kazakhstan, formerly part of the Soviet Union, expects a substantial increase in gold output over the next three or four years, according to Mr Abdrakhman Begalinov, president of Altynalmas, the organisation responsible for the republic's precious metals and precious stones production.

Last year the republic produced about 14 tonnes of gold, he says, and the government wants this lifted to between 42 and 56 tonnes very quickly to build reserves to back the country's new currency.

Mr Begalinov admits that Kazakhstan will have difficulty raising funds for such a fast expansion but he has high hopes of attracting more foreign [illegible]. At present Altynalmas, which encom[illegible] 21 enterprises employ[illegible] [illegible] people. [illegible] discussing specific projects with more than [illegible] foreign mining [illegible]panies, [illegible] [illegible].

[illegible] need [illegible] build gold [illegible] [illegible] [illegible] during [illegible] transition [illegible] [illegible] [illegible] [illegible], [illegible] gold [illegible] [illegible] sold [illegible] [illegible] government – [illegible] also [illegible] on keeping majority control [illegible] [illegible] joint venture. However, Mr Begalinov [illegible] [illegible] [illegible] [illegible] will pay in US dollars for the gold at [illegible] [illegible] [illegible] price.

He [illegible] [illegible] [illegible] a huge [illegible] of reconstruction [illegible] [illegible] mining industry, which [illegible] a long [illegible] [illegible] [illegible] well-developed, will play [illegible] [illegible] important role. [illegible] country [illegible] very [illegible] in minerals – more than 60 different minerals are produced – [illegible] the republic accounted [illegible] [illegible] than half of all the lead, [illegible] [illegible] [illegible] produced by [illegible] [illegible] Union.

[illegible] Begalinov [illegible] in London for [illegible] with Bakyrchik [illegible], [illegible] London-quoted company involved in [illegible] of Kazakhstan's [illegible] gold projects. [illegible] [illegible] company [illegible] [illegible] per cent [illegible] [illegible] joint [illegible] with Altynalmas to develop [illegible] Bakyrchik mine, [illegible] in [illegible] [illegible] region [illegible] the north-eastern [illegible] [illegible] Kazakhstan. The mine [illegible] on [illegible] [illegible] [illegible] world's [illegible] [illegible] deposits, containing [illegible] [illegible] troy [illegible], but [illegible] ore [illegible] very complex and difficult to [illegible].

Mr Bill Hussey, Bakyrchik's operations director, [illegible] [illegible] [illegible] partnership [illegible] on schedule [illegible] [illegible] [illegible] production [illegible] [illegible] annual [illegible] [illegible] [illegible] troy [illegible] by June. It [illegible] yet [illegible] be decided when Bakyrchik will approach [illegible] 300 shareholders – many of them blue-chip institutions – for part [illegible] the £75m needed for [illegible] [illegible] phase [illegible] lift output to [illegible] [illegible].

Meanwhile, "our relationship with [illegible] [illegible] people [illegible] getting stronger every day".

African producers set cobalt 'reference' price

By Kenneth Gooding

The sharp rise in the free market price of cobalt – it has doubled since December to about $22 a pound – has caused Zambia and Zaire, the two biggest western producers, to back away from setting a producer price for the metal. Instead they have set a "reference" price of $18 for the next three months, unchanged from their previous producer price.

Some traders suggested yesterday that consumers would be lucky to obtain high-grade [illegible] – a [illegible] [illegible] [illegible] in superalloys in [illegible] things [illegible] cutting tools, high-strength [illegible] [illegible] jet engines, as [illegible] powder in catalysts [illegible] [illegible] oil [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] tyres – [illegible] [illegible] [illegible] price. The producers [illegible] probably charge [illegible] premium [illegible] better-quality material, they [illegible].

On [illegible] other hand, [illegible] [illegible] thought [illegible] [illegible] sharp price [illegible] [illegible] [illegible] [illegible] with [illegible] "hype" [illegible] [illegible] [illegible] shortage of metal. "[illegible] [illegible] were [illegible] [illegible] push the price [illegible] [illegible] [illegible] [illegible] letting [illegible] fall back," [illegible] [illegible].

However, [illegible] from [illegible] [illegible] Development Institute, [illegible] [illegible] produce about [illegible] per cent [illegible] [illegible] [illegible] cobalt, [illegible] [illegible] [illegible] [illegible] [illegible] in [illegible] [illegible] year. A fall [illegible] [illegible] [illegible] [illegible] to 15,000 [illegible] [illegible] [illegible] cobalt production [illegible] probably compensated [illegible] by an increase in imports from [illegible] [illegible] by stocks left [illegible] from late-1992 production. Meanwhile, demand [illegible] estimated by [illegible] [illegible] [illegible] have [illegible] [illegible] about 19,000 tonnes.

[illegible] year, [illegible] CDI [illegible], [illegible] [illegible] likely [illegible] remain [illegible] while [illegible] production may fall again. Even if Russian exports [illegible] [illegible] about 2,000 [illegible] and [illegible] US authorities [illegible] ahead with [illegible] planned release of [illegible] [illegible] [illegible] from their strategic stockpile, supply will [illegible] well to keep up [illegible] demand.

Rise in non-member output adds to Opec woes

By Robert Corzine

[illegible] production in countries [illegible] the Organisation [illegible] Petroleum Exporting Countries is likely to continue to undercut Opec's market share and pricing strategy in the next two years, according to a report issued yesterday.

The London-based Centre for Global Energy Studies estimated that total non-Opec production would rise by 2m barrels [illegible] day by the end of 1995. Also, [illegible] expected independent producers to capture [illegible] [illegible] [illegible] the [illegible] b/d [illegible] [illegible] in [illegible] oil [illegible] this year.

[illegible] suggested [illegible] [illegible] [illegible] way for Opec members to defend their [illegible] share would be [illegible] bring [illegible] reserves [illegible] production. But [illegible] [illegible] require private capital, [illegible] the governments [illegible] [illegible] Opec [illegible] [illegible] [illegible] [illegible] [illegible] pressure.

The [illegible] [illegible] [illegible] [illegible] in non-Opec production [illegible] highlighted by another report report released yesterday in which Edinburgh consultants Wood [illegible] predicted [illegible] UK North Sea oil output would rise [illegible] 30 per cent this year.

Recent attempts [illegible] secure [illegible] co-operation of independent producers in [illegible] co-ordi[illegible] cut in output to prop up prices [illegible] so [illegible] failed. Yesterday Mr Ali al-Baghli, the Kuwaiti oil minister, was quoted [illegible] saying that "the main producing countries [illegible] not express readiness [illegible] co-operate, especially Britain and Norway, while Russia, Syria and Egypt expressed [illegible] readiness [illegible] respond [illegible] the Opec demand in reducing their production levels."

He told the al-Watan [illegible] [illegible] that there [illegible] little likeli[illegible] of an early Opec meeting to cut production.

COMMODITIES [illegible]

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1242-43	1261-62
Previous	1215-16	[illegible]
High/low	1247	[illegible]
AM Official	1247-48	1265-66
Kerb close		1264.5-65
Open int.		
Total daily turnover		

■ ALUMINIUM ALLOY ($ per tonne)

Close	1103-05	1125-27
Previous	1085-89	1087-90
High/low		1135/1108
AM Official	1103-05	1125-30
Kerb close		1123-28
Open int.	N/A	
Total daily turnover	[illegible]	

■ LEAD ($ per tonne)

Close	508-09	521-21.5
Previous	506-07	518.5-19
High/low	503.5	523/514
AM Official	503.5-04	516-16.5
Kerb close		522-24
Open int.	N/A	
Total daily turnover	N/A	

■ NICKEL ($ per tonne)

Close	5810-20	5875-80
Previous	5690-98	5750-55
High/low		5898/5785
[illegible]	5800-05	5865-70
Kerb close		5895-900
Open int	N/A	
Total daily turnover	N/A	

■ TIN ($ per tonne)

Close	5335-45	5385-95
Previous	5240-45	5290-95
High/low		5390/5245
AM Official	5255-60	5310-11
Kerb close		5390-400
Open int.	[illegible]	
Total daily turnover	[illegible]	

■ ZINC, special high grade ($ per tonne)

Close	994.5-95.5	1015-16
Previous	987.5-88.5	1007-08
High/low	978/977.5	1016/993
AM Official	978-78.5	[illegible]
Kerb close		1015-16
Open int.	[illegible]	
Total daily turnover	[illegible]	

■ COPPER, grade A ($ per tonne)

Close	1864-65	[illegible]
Previous	[illegible]	1887-89
High/low	1861	1893/1860
AM Official	[illegible]	[illegible]
Kerb close		1889-90
Open int.	[illegible]	
Total daily turnover	[illegible]	

■ LME AM Official £/$ rate: 1.5085
LME Closing £/$ rate: 1[illegible]

Spot:1.5021 [illegible] mths:1.4943 [illegible] mths:1.4893 [illegible]

■ HIGH GRADE COPPER (COMEX)

	Close	Day's change	High	Low	Open int	Vol
Feb	89.60	+2.70	89.75	89.40	1,092	56
Mar	89.60	+2.80	89.70	87.05	34,177	4,094
Apr	88.85	+2.85	88.05	86.40	710	41
May	88.60	[illegible]	[illegible]	86.20	10,939	[illegible]
[illegible]	[illegible]	[illegible]	86.60	86.35	856	7
Jul	88.60	[illegible]	88.60	86.40	6,316	585
Total					63,449	[illegible]

PRECIOUS METALS

■ LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
Close	[illegible]	
Opening	[illegible]-382.70	
Morning fix	382.10	253.853
Afternoon fix	381.65	253.639
Day's High	384.50-385.00	
Day's Low	381.20-381.60	
Previous [illegible]	[illegible]	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month ....2.59 6 [illegible] 2.67
2 months ....2.60 12 months 2.70
3 months 2.65

Silver Fix	p/troy oz.	US cts equiv.
Spot	340.20	512.00
3 months	344.40	515.65
6 months	348.60	519.85
1 year	356.55	529.15

Gold Coins	$ price	£ equiv.
Krugerrand	382-385	254-257
Maple Leaf	392.20-396.65	-
New Sovereign	89-92	[illegible]

Precious [illegible] continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	+2.5	[illegible]	[illegible]	[illegible]	5,514
Mar	384.9	+2.5	-	-	12	3
Apr	386.1	+2.5	387.5	383.0	62,710	33,493
Jun	388.0	+2.5	[illegible]	385.3	28,436	1,442
[illegible]	390.0	+2.5	[illegible]	[illegible]	[illegible]	40
Oct	392.1	+2.5	[illegible]	[illegible]	[illegible]	38
Total					[illegible]	[illegible]

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

Apr	[illegible]	+6.4	392.8	[illegible]	13,872	[illegible]
Jul	[illegible]	+6.3	393.5	386.0	2,708	185
Oct	393.4	+5.8	392.1	[illegible]	428	103
Jan	[illegible]	+5.8	-	-	172	20
Apr	396.4	+5.8	392.0	392.0	4	-
Total					[illegible]	[illegible]

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

Mar	[illegible]	[illegible]	[illegible]	125.00	[illegible]	[illegible]
Jun	[illegible]	+2.45	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	+2.45	-	-	142	-
Dec	127.25	[illegible]	-	-	117	-
Total					[illegible]	[illegible]

■ SILVER COMEX (100 Troy oz.; Cents/troy oz.)

Feb	527.9	+15.5	-	-	4	2
Mar	[illegible]	+15.5	531.0	512.5	68,206	23,813
May	[illegible]	+15.6	534.0	515.5	17,727	1,453
Jul	535.5	+15.6	[illegible]	518.5	[illegible]	433
Sep	530.8	+15.7	542.0	524.5	2,868	[illegible]
Dec	543.9	+15.8	546.0	[illegible]	[illegible]	[illegible]
Total					[illegible]	[illegible]

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Mar	[illegible]	[illegible]	15.47	15.20	112,721	[illegible]
Apr	15.41	+0.22	[illegible]	[illegible]	59,822	22,366
May	[illegible]	+0.21	[illegible]	[illegible]	[illegible]	[illegible]
Jun	15.55	+0.16	[illegible]	[illegible]	[illegible]	[illegible]
Jul	15.70	[illegible]	15.72	15.60	21,231	1,175
Aug	15.83	+0.18	[illegible]	[illegible]	[illegible]	[illegible]
Total					[illegible]	[illegible]

■ CRUDE OIL IPE ($/barrel)

	[illegible] price	Day's change	High	Low	Open int	Vol
Mar	[illegible]	+0.04	[illegible]	[illegible]	[illegible]	[illegible]
Apr	14.14	[illegible]	[illegible]	[illegible]	52,038	12,524
May	[illegible]	+0.15	14.21	[illegible]	[illegible]	[illegible]
Jun	14.35	[illegible]	[illegible]	14.21	[illegible]	[illegible]
Jul	14.49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aug	14.52	+0.07	14.52	14.45	4,084	433
Total					150,413	38,384

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	[illegible]	[illegible]	Low	Open int	Vol
[illegible]	[illegible]	+0.75	[illegible]	49.40	[illegible]	26,675
Apr	46.85	+0.50	[illegible]	[illegible]	[illegible]	[illegible]
May	45.35	+0.45	[illegible]	45.00	33,084	[illegible]
Jun	[illegible]	[illegible]	[illegible]	[illegible]	20,173	[illegible]
Jul	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6,653	[illegible]
Total					[illegible]	6,810

■ GAS OIL IPE [illegible]

	[illegible] price	Day's change	[illegible]	Low	Open int	Vol
Feb	[illegible]	+1.75	144.50	[illegible]	[illegible]	[illegible]
Mar	145.50	+1.75	145.50	143.25	26,392	[illegible]
Apr	144.75	+1.50	[illegible]	[illegible]	[illegible]	1,880
May	143.75	+1.50	143.75	[illegible]	10,508	942
Jun	144.00	+1.25	144.25	[illegible]	14,358	230
Jul	145.25	+1.25	145.50	143.00	8,090	108
Total					[illegible]	[illegible]

■ [illegible] GAS NYMEX (10,000 mmBtu.; [illegible])

	Latest price	Day's [illegible]	High	Low	Open [illegible]	Vol
Mar	2.530	[illegible]	[illegible]	2.570	[illegible]	[illegible]
Apr	2.340	+0.011	[illegible]	[illegible]	18,033	[illegible]
[illegible]	2.235	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	2.170	+0.018	2.190	[illegible]	[illegible]	[illegible]
Jul	2.137	+0.010	2.150	[illegible]	8,575	[illegible]
[illegible]	[illegible]	[illegible]	2.155	[illegible]	[illegible]	1,635
Total					[illegible]	[illegible]

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	44.10	43.10	39,572	21,706
Apr	[illegible]	[illegible]	[illegible]	46.00	29,634	7,103
May	[illegible]	[illegible]	47.15	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	47.15	11,879	1,670
Jul	47.75	+0.50	47.75	[illegible]	[illegible]	405
Aug	[illegible]	-	-	-	[illegible]	28
Total					[illegible]	[illegible]

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per [illegible])

	Sett price	[illegible] change	High	Low	Open int	Vol
Mar	[illegible]	-1.15	[illegible]	97.75	[illegible]	147
May	98.60	-1.05	98.75	98.85	1,861	186
[illegible]	99.65	-0.15	-	-	220	-
[illegible]	89.50	[illegible]	[illegible]	[illegible]	[illegible]	5
[illegible]	90.70	-0.60	[illegible]	[illegible]	781	[illegible]
Jan	93.65	-	-	-	-	-
Total					[illegible]	[illegible]

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

Mar	370/2	-1/4	372/0	367/4	55,580	30,380
May	[illegible]	+0/4	[illegible]	351/6	42,625	6,270
Jul	[illegible]	[illegible]	[illegible]	341/0	75,070	20,885
[illegible]	344/2	+1/0	[illegible]	[illegible]	12,105	[illegible]
Dec	352/0	+1/4	352/0	[illegible]	[illegible]	[illegible]
Jul	[illegible]	-	-	-	25	20
Total					[illegible]	[illegible]

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

Mar	[illegible]	[illegible]	[illegible]	288/4	[illegible]	[illegible]
May	295/6	+1/0	[illegible]	[illegible]	[illegible]	70,290
Jul	296/6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sep	279/4	[illegible]	[illegible]	279/0	84,070	[illegible]
Dec	283/2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mar	289/4	-	279/4	[illegible]	[illegible]	335
[illegible]					[illegible]	[illegible]

■ BARLEY LCE (£ per tonne)

[illegible]	[illegible]	-1.25	[illegible]	[illegible]	684	15
May	[illegible]	[illegible]	103.25	[illegible]	198	8
Sep	[illegible]	-0.15	-	-	182	-
Nov	[illegible]	-0.10	-	-	63	-
Jan	95.40	-	-	-	3	-
May	97.50	-	-	-	-	-
Total					[illegible]	[illegible]

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

Mar	[illegible]	+0/2	[illegible]	[illegible]	[illegible]	[illegible]
May	691/0	+1/2	694/6	[illegible]	[illegible]	[illegible]
Jul	691/4	+1/2	694/6	690/4	[illegible]	23,625
[illegible]	[illegible]	[illegible]	[illegible]	683/0	32,445	[illegible]
[illegible]	660/0	[illegible]	663/0	650/0	[illegible]	1,110
Nov	[illegible]	[illegible]	[illegible]	642/0	86,270	12,030
Total					[illegible]	[illegible]

■ SOYABEAN OIL CBT [illegible] cents/lb)

Mar	28.97	+0.04	29.27	28.92	32,151	9,314
May	28.57	+0.05	29.16	28.83	23,016	3,412
Jul	28.56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	531
[illegible]	27.51	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	26.67	-0.08	26.86	26.61	3,325	133
Total					82,083	[illegible]

■ SOYABEAN MEAL CBT (100 tons; $/ton)

Mar	194.7	-0.4	195.8	194.5	[illegible]	6,123
May	195.1	-0.3	196.0	194.8	[illegible]	2,370
Jul	195.3	-	[illegible]	[illegible]	[illegible]	[illegible]
Aug	193.3	+0.1	193.9	[illegible]	[illegible]	221
Sep	191.1	+0.1	191.5	[illegible]	[illegible]	78
Oct	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	161
Total					[illegible]	[illegible]

■ POTATOES LCE (£/tonne)

[illegible]	[illegible]	-	-	-	[illegible]	-
Apr	107.4	[illegible]	[illegible]	[illegible]	[illegible]	30
May	[illegible]	-1.0	128.0	[illegible]	793	60
[illegible]	130.0	-	-	-	[illegible]	-
[illegible]	85.0	-	-	-	-	-
Mar	105.0	-	-	-	-	-
Total					[illegible]	[illegible]

■ FREIGHT (BIFFEX) LCE ($10/index point)

Feb	1185	+2	1185	[illegible]	[illegible]	2
Mar	1208	-5	1201	1200	304	18
Apr	1237	-	1240	[illegible]	[illegible]	105
Jul	[illegible]	[illegible]	[illegible]	[illegible]	286	1
[illegible]	1259	-1	-	-	[illegible]	-
Jan	[illegible]	[illegible]	-	-	[illegible]	-
[illegible]					2,166	178

	[illegible]	Prev
BFI	1198	[illegible]

SOFTS

■ [illegible] LCE [illegible]

	Sett price	Day's change	High	Low	Open int	Vol
Mar	[illegible]	-47	[illegible]	856	32,859	6,176
May	880	-44	889	857	[illegible]	3,926
Jul	874	-37	901	[illegible]	[illegible]	1,100
[illegible]	[illegible]	[illegible]	912	892	16,639	706
[illegible]	[illegible]	-21	[illegible]	914	13,967	[illegible]
Mar	[illegible]	-21	942	929	25,777	[illegible]
Total					[illegible]	[illegible]

■ COCOA CSCE (10 tonnes; $/tonnes)

Mar	1066	-33	1090	1063	35,927	9,973
May	1089	-33	[illegible]	1080	19,448	4,708
Jul	1120	-30	1143	1120	11,685	705
[illegible]	1150	-27	1171	1148	7,076	[illegible]
[illegible]	[illegible]	-27	1200	1183	6,678	376
Mar	1210	-25	1228	1219	7,592	127
Total					[illegible]	[illegible]

■ COCOA (ICCO) [illegible]

Jan 31	Price	Prev. day
[illegible]	[illegible]	915.10
[illegible] 1		
10 day [illegible]	915.18	919.45

■ [illegible] LCE [illegible]

Mar	1180	-15	1161	1149	[illegible]	[illegible]
May	1158	-6	1168	1158	13,127	1,139
Jul	1147	-3	1138	1146	4,740	576
Sep	1147	-10	1158	1146	2,321	[illegible]
Nov	1148	-16	1155	1150	1,758	22
[illegible]	1148	-15	1185	1148	3,250	108
Total					[illegible]	[illegible]

■ COFFEE 'C' CSCE [illegible] cents/lbs)

Mar	72.40	+0.05	73.35	71.95	23,138	6,924
May	[illegible]	-	[illegible]	73.80	14,941	3,140
Jul	75.30	+0.15	76.10	75.00	4,550	421
[illegible]	76.80	-	77.50	76.60	3,154	[illegible]
Dec	[illegible]	-0.16	78.45	78.50	[illegible]	96
Mar	80.20	+0.10	-	-	816	5
Total					91,644	12,737

■ [illegible] (ICO) (US cents/pound)

Jan 31	Price	Prev. day
Comp. daily	69.81	78.13
15 day average	68.41	68.38

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

[illegible]	11.25	-	-	-	1,241	-
May	11.66	-	11.36	11.25	919	-
Jul	-	-	11.58	11.58	[illegible]	[illegible]
Oct	-	-	-	-	35	5
Total					5,122	24

■ WHITE SUGAR LCE ($/tonne)

Mar	298.10	-	300.50	295.80	8,576	3,579
May	293.50	-	297.80	292.20	4,882	[illegible]
[illegible]	297.80	-	299.00	295.00	1,957	229
Oct	283.00	-	286.50	[illegible]	2,846	[illegible]
Dec	-	-	-	-	37	-
Mar	-	-	-	-	44	-
Total					18,422	[illegible]

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

Mar	10.41	[illegible]	10.63	10.35	40,477	8,248
May	[illegible]	-0.15	[illegible]	10.75	33,752	3,033
[illegible]	10.89	[illegible]	11.05	10.81	16,670	1,183
[illegible]	10.78	-0.15	[illegible]	10.70	16,357	581
Mar	10.79	-0.16	10.74	[illegible]	[illegible]	132
May	[illegible]	[illegible]	-	-	311	19
Total					[illegible]	[illegible]

■ COTTON NYCE (50,000lbs; cents/lbs)

Mar	77.34	-0.52	78.38	76.95	20,802	4,727
May	76.92	-1.17	[illegible]	[illegible]	11,342	[illegible]
Jul	76.85	-1.24	77.80	[illegible]	9,110	[illegible]
Oct	[illegible]	-0.83	72.10	[illegible]	[illegible]	[illegible]
Dec	69.10	-0.56	69.30	[illegible]	8,881	985
Mar	[illegible]	-0.74	-	-	[illegible]	59
Total					[illegible]	[illegible]

■ ORANGE JUICE NYCE (15,000lbs; [illegible])

Mar	[illegible]	-0.45	104.50	103.70	[illegible]	910
May	106.70	-0.45	107.30	106.70	3,257	514
Jul	109.35	[illegible]	109.80	109.45	1,328	70
[illegible]	111.40	[illegible]	111.60	[illegible]	814	14
[illegible]	113.40	-0.25	-	-	397	1
[illegible]	[illegible]	[illegible]	-	-	[illegible]	2
Total					[illegible]	1,511

MINOR METALS
European free market, from Metal Bulletin, $ per lb in warehouse, unless otherwise stated (last week's in brackets, where changed). Antimony: 99.6%, $ per tonne, 1,690-1,720 (1,645-1,705). Bismuth: min. 99.99%, tonne lots 2.25-2.45. Cadmium: min. 99.5%, 0.55-0.75 (0.40-0.50). Cobalt: MB free market, 99.8%, [illegible] [illegible] 99.3%, 18.50-19.60 (19.00-20.00). Mercury: min. 99.99%, $ per 76 lb flask, [illegible] (90-105). Molybdenum: drummed molybdic oxide, 2.70-2.80. Selenium: min 99.5%, 4.15-4.75 (4.15-4.80). Tungsten ore: standard min. 65%, $ per tonne unit (10kg) WO_3, cif, 27-39. Vanadium: min. 98%, cif, 1.35-1.45. Uranium: Nuexco exchange value, 7.00.

VOLUME DATA
Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Feb 1	Jan 31	month ago	year ago
1735.7	1728.0	1679.1	1726.6

■ CRB [illegible]

Jan 31	Jan 28	month ago	year ago
225.55	225.00	-	199.98

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	[illegible] int	Vol
Feb	72.275	-1.025	73.250	72.225	21,639	[illegible]
Apr	75.225	-1.225	76.300	75.100	29,954	5,553
Jun	[illegible]	-0.725	74.450	73.780	[illegible]	[illegible]
[illegible]	72.825	-0.825	73.000	72.575	10,709	[illegible]
[illegible]	72.580	-0.575	73.000	[illegible]	7,125	[illegible]
[illegible]	[illegible]	-0.575	73.825	73.225	[illegible]	11
[illegible]					[illegible]	[illegible]

■ LIVE HOGS CME (40,000lbs; cents/lbs)

Feb	50.400	-0.025	50.575	49.800	[illegible]	1,670
[illegible]	51.200	-0.500	51.700	51.075	13,471	4,850
Jun	55.550	-0.475	56.000	55.375	[illegible]	1,200
Jul	54.600	-0.425	55.150	[illegible]	[illegible]	354
[illegible]	52.575	-0.425	53.050	52.550	2,259	188
Oct	49.000	-0.375	49.250	48.850	[illegible]	[illegible]
Total					[illegible]	[illegible]

■ PORK BELLIES CME [illegible] cents/lbs)

Feb	[illegible]	-0.150	60.050	58.400	[illegible]	[illegible]
Mar	[illegible]	[illegible]	60.250	58.500	2,987	[illegible]
May	59.575	-0.800	[illegible]	[illegible]	[illegible]	[illegible]
Jul	[illegible]	-1.150	61.200	59.600	[illegible]	[illegible]
Aug	57.250	[illegible]	58.050	57.250	[illegible]	[illegible]
Total					1,584	222

LONDON TRADED OPTIONS

Strike price $ tonne	— Calls —		— Puts —	
■ ALUMINIUM (99.7%) LME	[illegible]	Jul	[illegible]	Jul
1200	70	90	33	40
1225	56	76	44	[illegible]
1250	44	64	57	[illegible]
■ COPPER (Grade A) LME	[illegible]	Jul	Apr	Jul
1850	62	92	47	58
1900	38	67	74	83
1950	23	48	108	112
■ COFFEE LCE	[illegible]	[illegible]	[illegible]	[illegible]
1150	23	[illegible]	23	91
1200	72	39	[illegible]	[illegible]
1250	2	26	[illegible]	117
■ COCOA LCE	[illegible]	[illegible]	Mar	[illegible]
900	7	30	80	[illegible]
925	3	23	11	86
950	1	17	[illegible]	[illegible]
■ BRENT CRUDE IPE	Mar	Apr	Mar	Apr
1400	48	-	[illegible]	[illegible]
1450	12	33	-	
1500	5	16	-	

LONDON SPOT MARKETS

■ CRUDE OIL [illegible] (per barrel/Mar) [illegible]

[illegible]	[illegible]	[illegible]
Brent Blend (dated)	[illegible]	[illegible]
Brent Blend (Mar)	[illegible]	[illegible]
W.T.I. (1pm est)	[illegible]	[illegible]

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

Premium Gasoline	[illegible]	+0.5
Gas Oil	[illegible]	+1.0
Heavy Fuel Oil	$70-71	+1.0
Naphtha	$131-134	+1.0
Jet Fuel	$159-162	-0.5

Petroleum Argus Estimates

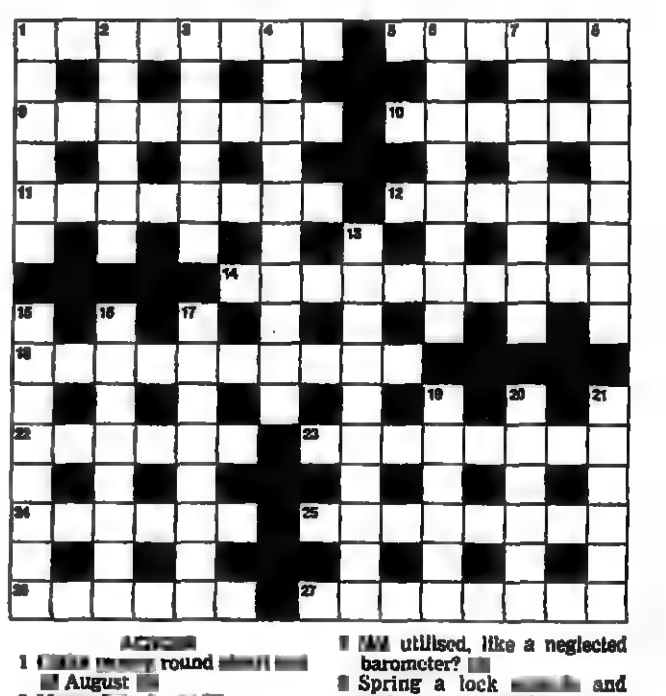
■ [illegible]

Gold (per troy oz)♣	[illegible]	[illegible]
Silver (per troy oz)♣	521.5c	[illegible]
Platinum (per troy oz.)	$387.00	+2.15
Palladium (per troy oz.)	$125.10	[illegible]
Copper (US prod.)	[illegible]	
Lead (US prod.)	[illegible]	
Tin (Kuala Lumpur)	[illegible]	
Tin (New York)	[illegible]	[illegible]
Zinc (US Prime W.)	Unq.	
Cattle (live weight)†	121.03p	[illegible]*
Sheep (live weight)†♠	107.26p	[illegible]
Pigs (live weight)	[illegible]	[illegible]
Lon. day sugar (raw)	$260.7	+3.1
Lon. day sugar (wte)	$299.5	+5
Tate & Lyle export	$284.5	+1.5
[illegible] (Eng. feed)	Unq.	
Maize (US No3 Yellow)	£128.0	+1
[illegible] (US Dark North)	£143.5	
Rubber (Mar)♥	62.50p	
Rubber (Apr)♥	62.75p	
Rubber (KL RSS No1 Feb)	227.0m	
Coconut Oil (Phil)§	$575.0x	+2.5
Palm Oil (Malay.)§	$397.5t	+5
Copra (Phil)§	$370.0	-2
Soyabeans (US)	£204.0y	
Cotton 'A' Index	78.85c	+2
Wooltops (64s Super)	370p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. y Feb/Apr w Mar. z Jun/Mar. t Feb/Mar. x Mar/Apr. ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. ♠ Sheep (Live weight prices). * Change on week, provisional prices.

CROSSWORD

No.8,369 Set by DANTE



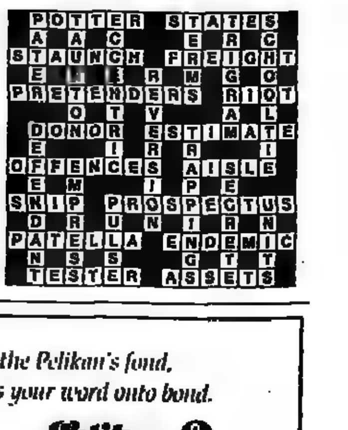
[illegible]

1 [illegible] [illegible] round [illegible] [illegible] [illegible] August [illegible]
5 Money [illegible] a [illegible] [illegible]
9 [illegible] can't [illegible] round [illegible] [illegible] luck! [illegible]
10 [illegible] [illegible] [illegible] a fly [illegible]
11 Impressive [illegible] [illegible] chip [illegible] (8)
12 Be quiet [illegible] [illegible] [illegible] [illegible]
[illegible] Whiskers (3-7)
18 Still flirting? (8,2)
22 [illegible] youth [illegible] tell [illegible] [illegible] a clergyman (6)
23 Condescending [illegible] name N. [illegible] [illegible] (8)
[illegible] Operatic heroine that [illegible] [illegible] heart betrayed (6)
25 Book for [illegible] opera (8)
26 Ark [illegible] [illegible] difficulty, alternative transport required (2-4)
27 Not expecting the girl to have the goods (8)

DOWN

1 Many pedal furiously [illegible] [illegible] [illegible] [illegible] first [illegible] [illegible]
2 Expect cocktail in bar (6)
[illegible] Charm, possibly [illegible] (6)
[illegible] Gin cocktail a [illegible] [illegible] happy party (10)
6 [illegible] hearing [illegible]
[illegible] [illegible] utilised, like a neglected barometer? [illegible]
[illegible] Spring a lock [illegible] and make entry unlawfully [illegible]
[illegible] [illegible] [illegible] [illegible] [illegible] – [illegible] giveness (10)
15 Hair-raising action by the brave [illegible]
16 Traffic jam, in more [illegible] than one .... (8)
[illegible] .... a solid block of cars (8)
19 Language for man [illegible] [illegible] (6)
20 [illegible] [illegible] winner [illegible]
21 Fears [illegible] [illegible] [illegible] to [illegible] (6)

Solution [illegible]



LONDON STOCK EXCHANGE

MARKET REPORT

Futures selling wipes out initial market gains

By Steve Thompson

Another [illegible]ful early showing by the UK stock market drove the FT-SE 100 Index to yet another all-time intraday peak. But it ran out of steam in midsession when the Footsie future turned sharply lower and, later, Wall Street succumbed to a bout of profit-taking.

The FT-SE [illegible] was, however, sprinkled with some big winners, with British Aerospace turning in another sparkling performance as the City continued to register [illegible] approval [illegible] purchase [illegible] the Rover car manufacturer.

There was also said [illegible] have been another [illegible]t shift from the FT-SE 100 constituents and into the FT-SE Mid [illegible] after [illegible] recent bout [illegible] underperformance by the latter. [illegible] said many [illegible] the big [illegible] houses, [illegible] lining up covered warrants against the second-line stocks, had moved in to [illegible] positions on their trading books. The London International Financial Futures and Options [illegible] is launching its FT-SE [illegible] 250 [illegible] futures contract on February 25.

The sell-off in equities was said to have [illegible] triggered largely by [illegible] abrupt turnround in international bond markets and talk of a big seller in the Footsie future.

Share prices [illegible] strongly [illegible] with [illegible] FT-SE 100 Index reaching [illegible] all-time peak [illegible] 3,514.3 within [illegible] hour of [illegible] opening as the [illegible] market responded [illegible] overnight advance [illegible] the [illegible] by [illegible] Tokyo equity market.

Account Dealing [illegible]			
First Dealings:	Jan 17	Jan 31	Feb 14
Option Declarations:	[illegible]	Feb [illegible]	Feb [illegible]
Last Dealings:	Jan 28	[illegible]	[illegible]
Account Day:	Feb 7	Feb 21	[illegible] 7

[illegible] may take place from two business days earlier.

The market suddenly came under [illegible], however, [illegible] appearance of a big seller saw the FT-SE [illegible] a discount to the cash market for much of the [illegible]. [illegible] disconcerted [illegible] traders in [illegible] market was that the big seller had only minutes [illegible] an aggressive buyer of the future.

Gilt-edged stocks also played a [illegible] part in [illegible] market's retreat. News of the resignation of the deputy chairman of [illegible] Federal Reserve was said to have unnerved US bonds, which in [illegible] brought [illegible] pressure [illegible] bear on UK gilts.

At its worst, the [illegible] showed a loss of 20.8 points, [illegible] stabilising [illegible] hour [illegible] trading [illegible] the second-line stocks continued to climb.

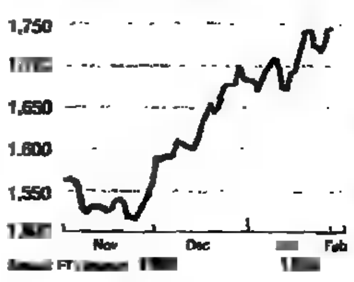
The FT-SE 100 finished 10.3 off on the day at 3,481.5, while the FT-SE Mid Cap settled 21.1 higher [illegible] 4,105.4. Turnover was [illegible] heavy 1.087bn shares, marginally ahead of Monday's 1.084bn, with activity in second liners accounting for 699.3m shares, or 64 per cent of the total. The Stock Exchange said the value of customer business transacted in the market on Monday was £1.76bn, below levels reached last week but [illegible] well above usual daily [illegible] [illegible] January.

[illegible] component stocks were said [illegible] have attracted extremely heavy demand [illegible] to have played a big part in the strong showing by the Mid [illegible] Index.

[illegible] the focus [illegible] in [illegible] busy [illegible] with [illegible] sprinting ahead amid [illegible] the [illegible] securities houses – [illegible] mentioned – could be about [illegible] issue a covered warrant against [illegible] shares. Life [illegible] were [illegible] by suggestions of [illegible] buy [illegible]tion [illegible] companies such [illegible] Lloyds Abbey [illegible] Legal & [illegible].

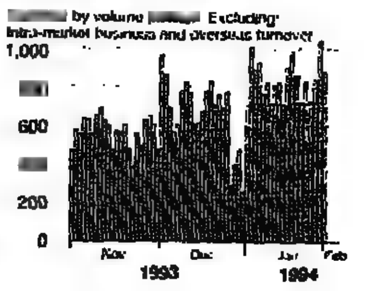
The relisting [illegible] the shares rocket [illegible] displayed [illegible] pleasure with [illegible] of [illegible] acquisition of [illegible] Magnet business.

FT-SE-A All-Share index



Equity Shares Traded

[illegible] by volume [illegible] Excluding intra-market business and overseas turnover



■ Key Indicators

[illegible] and ratios

FT-SE 100	[illegible]	-10.3	FT Ordinary [illegible]	2676.9	-0.3
FT-SE [illegible] 250	4105.4	+21.1	FT-SE-A Non [illegible] p/e	22.81	(22.83)
FT-SE-A 350	1758.7	-1.9	FT-SE 100 Fut Mar	3481.0	-7.0
FT-SE-A [illegible]	1745.25	-0.70	10 yr [illegible] yield	6.26	(6.20)
FT-SE-A [illegible] yield	[illegible]	(3.24)	Long gilt/equity yld ratio:	[illegible]	(2.07)

Best performing sectors

1. Engineering, Vehicles ...... +2.8
2. Building & Construct ...... +1.4
3. FT-SE SmallCap ex IT ...... +1.0
4. Distributors ...... +1.0
5. FT-SE SmallCap ...... [illegible]

Worst performing sectors

1. Tobacco ...... -1.4
2. Pharmaceuticals ...... -1.0
3. Spirits, Wines, Ciders ...... -0.9
4. Extractive Inds ...... -0.9
5. Transport ...... -0.9

Cash call talk hits Cadbury

[illegible] of [illegible] £1bn rights [illegible] swirled around Cadbury Schweppes yesterday. [illegible] suggestion [illegible] that Cadbury [illegible] soon launch [illegible] one-for-[illegible] to enable it to buy the 76 per [illegible] of Dr Pepper/Seven Up, the US's third biggest [illegible] group, it [illegible] already own.

However, some analysts, while accepting the logic of the move, [illegible] that at [illegible] it would still leave the UK group [illegible] of the [illegible]. They also pointed out [illegible] is only six months [illegible] Cadbury last asked shareholders for funds – the £324m used [illegible] purchase A & W Brands, [illegible] Cadbury [illegible] fell back on the speculation and closed 12 down at 523p – but still [illegible] of their recent low of 445p at the end of November.

Cadbury dramatically increased its stake in Dr Pepper six months ago in a move [illegible] alarmed the fiercely independent US group. The two companies would have a combined market share of the US [illegible] of around 14 per cent and would be better able to take on Coca-Cola and PepsiCo, [illegible] industry [illegible].

GUS underpinned

[illegible] underpinned the sharp [illegible] Stores shares, [illegible] closed 20 ahead at 624p.

[illegible] speculative [illegible] suggestion in some market circles [illegible] preparing plans to float off its property division, an old market story but one which refuses to fade. [illegible] investment properties were valued at £688m in the [illegible] accounts and produced £26.8m in rental income.

Another suggestion was that GUS was intending to pump £350m into the property division, which is thought to have [illegible] behind its rivals in the bidding stakes for new develop[illegible]. A third, more pragmatic, [illegible] for the share price [illegible] was that Cazenove, [illegible] company's broker, had upgraded its profits [illegible]. Cazenove refused to comment.

British Aerospace basked in [illegible] glow of [illegible] £800m deal to sell its 80 per cent stake in Rover, announced on Monday. The shares jumped 46 to 545p in strong [illegible] of 16m [illegible] underweight fund managers previously [illegible] of [illegible] for stock. Sentiment [illegible] further [illegible] by more profits upgrades [illegible] brokers.

[illegible] Securities [illegible] its current [illegible] forecast by [illegible] to [illegible].

The [illegible] sentiment [illegible] motor component suppliers. [illegible] bounced [illegible] to 604p, while [illegible] on 9 [illegible] 213p in [illegible] of 4.2m, supported by [illegible] weighty [illegible]rities.

Further [illegible] of [illegible] rapid growth [illegible] the cellular telephone [illegible] yesterday [illegible] subscriber figures from [illegible] which were [illegible] of [illegible] forecasts.

The latter's [illegible] marginally more impressive [illegible] pushed the shares [illegible] higher to [illegible]. UBS, [illegible] company's broker, moved from "hold" to "buy" on the stock, lifting [illegible] current year profits forecast by £5m to £355m and next year's by £15m to £405m. BT, co-owner of Cellnet, slipped 2½ to 213p, having run on strongly on Monday.

Conglomerate Hanson [illegible] unusually heavy volume of more than 25m shares and rose 4½ to 292½p after Hoare Govett, the company's broker, highlighted the benefits from [illegible] burgeoning [illegible] economy.

Hoare argues that [illegible] time [illegible] US [illegible] product is expected [illegible] at around 3 per cent the US contribution to Hanson's profits is poised to [illegible] 47 per cent to 67 per cent. The house is also said to [illegible] steering investors towards improved performances [illegible] Hanson's Quantum, [illegible] Propane, [illegible] Chemicals [illegible] Cavenham subsidiaries.

United Newspapers improved 17 [illegible] 708p after announcing that [illegible] subsidiary had bought Harmon Publishing Company for $100m. [illegible] Lorna Tilbian [illegible] S.G. Warburg liked [illegible] because [illegible] was "small, a good [illegible] and earnings enhancing." Stock market analysts [illegible] been slightly concerned [illegible] having [illegible] rid of [illegible] group might [illegible] for a bigger prize, such [illegible] conference organiser Blenheim, steady [illegible] 349p.

TV [illegible] buoyant with Yorkshire Tyne Tees, widely [illegible] as the [illegible] bid target, rising 17 [illegible] Ulster [illegible] jumping 41 [illegible] 606p.

[illegible] Parent [illegible] Corp is expected [illegible] on [illegible]ings rise [illegible] cent for [illegible] months [illegible] when it reports tomorrow.

Pharmaceuticals [illegible] 172p [illegible] an [illegible] and Drug Administration [illegible] published [illegible] long-awaited guidelines on the selling [illegible] version [illegible] inhaled asthma treatment. Traders [illegible] overnight [illegible] buying helped [illegible] rise. Also, Goldman Sachs, the [illegible] investment house, upgraded [illegible] recommendation on [illegible] stock.

Zeneca fell [illegible] 794p, [illegible] BZW arguing [illegible] up [illegible].

HSBC gained [illegible] 1014p on the [illegible] of a strong Hong Kong [illegible]. Sentiment [illegible] also helped by news [illegible] Moody's Investors Services had upgraded the subordinated debt of HSBC Holdings.

RTZ fell 12 to 869p, with Smith New Court said to [illegible] advising clients to take profits.

Among building materials, **BPB Industries** added [illegible] 359p. [illegible] upgraded the group and reiterated its buy stance.

Regional stores group [illegible] Stores announced strong December trading figures and [illegible] acquisition. The shares surged 29 to 197p.

Industrial gases group [illegible] added [illegible] at 731p [illegible] reiterated [illegible] buy recommendation ahead of first quarter [illegible] next week. Specialist paints group Kalon improved [illegible] to 175p on the [illegible] of a £6.2m acquisition.

Speculation early in the [illegible]sion [illegible] the government was about [illegible] a submarine order, powered VSEL. The shares raced forward but [illegible] only 27 [illegible] after [illegible] that a £180m order [illegible] re-equip British Trafalgar submarines had been [illegible] by Ferranti-Thomson.

UK airports operator BAA, [illegible] reported a [illegible] cent improvement in [illegible] profits [illegible] £292m, relinquished [illegible] 1055p. The [illegible] hit by general profit-taking and advice from [illegible] Warburg [illegible] switch into British Airways, [illegible] penny easier [illegible] 473p.

MARKET REPORTERS:
Christopher Price,
Peter John,
[illegible] Kibazo.

■ Other statistics, Page 17

NEW HIGHS AND LOWS FOR [illegible]

NEW HIGHS ([illegible]).

GILTS (1) BANKS (7) Bank of Scot. [illegible] 1/4pc Pf., Do 9 3/4pc Pf., HSBC, HSBC HK, Nat. Australia, Royal Bk. of Scot., Standard Chtd., BREWERIES (2) Vaux, Wetherspoon (JD), BUILDING & CNSTRN (12) BLDG MATLS & MCHTS (10) Amberley, BMSS, CRH, CSR, Heywood Williams Pf., Lilleshall, Do 9pc Pf., Sharpe & Fisher, Waterhouse, Wolseley, CHEMICALS (4) Canning (W), Headway, Perstorp B, Yule Catto, DISTRIBUTORS (10) DIVERSIFIED INDLS (14) ELECTRICITY (10) ELECTRNC & ELECT EQUP (14) ENGINEERING (23) ENG. VEHICLES (7) First Tech., GKN, Lucas, Do Wts., Motor World, T&N, Turkly, EXTRACTIVE INDS (12) FOOD MANUF (3) Banks (SC), Global, Greencore, HEALTH CARE (1) Assoc. Nursing Servs, HOUSEHOLD GOODS (7) Coleks & Fowler, Gaskell, Kitty Little, Lilliput, Paterson Zochonis, Do N/V, Royal Doulton, INSURANCE (6) Bradstock, Fenchurch, GRE, Nelson Hurst, Standa, Topdanmark, INVESTMENT TRUSTS (156) INVESTMENT COMPANIES (17) LEISURE & HOTELS (10) Boosey & Hawkes, Castle Comms., Crockfords, Ex-Lands, Hornby, Manchester Utd., Mandarin Oriental, Parkdean Lea., Rank Orgn., Thorn EMI, LIFE ASSURANCE (1) Britannic, MEDIA (23) MERCHANT BANKS (3) Barings 9 3/4pc Pf., Kleinwort Benson, Singer [illegible] Warburg (SG), Wiman, OIL EXPLORATION & PROD (3) Brit. Borneo, Monument, Ohio Res., OTHER [illegible] (33) OTHER SERVS & BUSNS (6) Anglo-East Plants., Atwoods, Calderburn, Filofax, Plantabrook, Scapa, PHARMACEUTICALS (1) Novo Nordisk B, PRTNG, PAPER & PACKG (12) Beamore, Britton, Cropper (J), De La Rue, Dolphin Pack., Ferguson Intl., Kymmene FM, MY Hldgs., [illegible] (C), [illegible], Smurfit (J), [illegible], PROPERTY (17) RETAILERS, FOOD (1) Watson & Philip, RETAILERS, GENERAL (8) Austin Reed, Beattie (J) A, Brown (N), Chrysler Int'l., T & S Stores, World of Leather, SPIRITS, WINES & CIDERS (1) Seagram, SUPPORT SERVS (11) TELECOMMUNICATIONS (3) Securicor, Do N/V, Security Servs., TEXTILES & APPAREL (8) Abbeycrest, Alexandra Workwear, Allied Textile, Black (P), Parkland, Readicut, TRANSPORT (7) Associated Brit. Ports, Badgerline, Bergesen A, CSX, Mayne Nickless, Mersey Docks, Ugland Intl., WATER (6) Chester A, Do B, East Surrey, Mid Kent, [illegible] (4) CANADIANS (6) SOUTH AFRICANS (1) Tongaat-Hulett.

NEW LOWS (2).

INVESTMENT TRUSTS (1) M & G Dual Inc., SUPPORT SERVS (1) Scheelen (C).

EQUITY FUTURES AND OPTIONS TRADING

Fading hopes of a reduction in German interest rates this week, together with active selling from leading securities houses, brought a retreat by stock index futures, *writes Joel Kibazo*.

Dealers reported an erratic start to the session after the first trade in the [illegible] contract on the FT-SE [illegible] was struck at 3,512.

The early activity included what initially appeared [illegible] be [illegible] big buy order, sending the contract advancing to 3,524. The realisation that it was an order to sell saw March reverse earlier gains.

A feeling that tomorrow's Bundesbank meeting was unlikely to announce [illegible] in German rates, weakness in the gilts sector and selling from some of the big brokers, only served to increase the slide.

After [illegible] further retreat in the afternoon brought about by [illegible] dull opening on Wall Street, dealers were suddenly caught short, which led to a squeeze just ahead of the official close.

March, which traded at a discount to cash for much of the session, ended at 3,481, seven points below its previous close and just [illegible] of its fair value premium of about one point. Volume at the official close stood at 15,380 contracts.

In traded options, turnover in the FT-SE 100 option improved to 15,034, making a significant contribution to the day's total of 43,657 lots. However, the Euro-FT-SE 100 option performance was below its recent average and traded a mere 1,533 contracts.

SmithKline Beecham was the most actively dealt stock option, closing with 4,156 contracts, followed by Hanson at 3,334 trades.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point

	Open	Sett price	[illegible]	[illegible]	Low	Est. vol	Open int.
Mar	[illegible]	[illegible]	-7.0	[illegible]	3470.0	[illegible]	[illegible]
Jun	3530.0	3495.5	-7.0	3530.0	3498.0	30	[illegible]
Sep		[illegible]	-7.0			0	[illegible]

Contract traded on APT. Open interest figures are for previous day.

■ FT-SE 100 INDEX OPTION (LIFFE) (*3480) £10 per full index point

	3300 C	3300 P	3350 C	3350 P	3400 C	3400 P	3450 C	3450 P	3500 C	3500 P	3550 C	3550 P	3600 C	3600 P	3650 C	3650 P
Feb	188½	3	142½	8	101	15	[illegible]½	30½	38½	53½	18	87½	9½	130½	3½	180½
Mar	209	20½	150	[illegible]	122½	42½	[illegible]	[illegible]	[illegible]	84	[illegible]½	114	28	150	16½	[illegible]
Apr	212½	32	176½	45	140	[illegible]	111	79	[illegible]	101½	[illegible]	[illegible]	44½	163	[illegible]	[illegible]
[illegible]	232½	46½	198	60	[illegible]	78	132½	95½	105½	[illegible]	64½	147½	63	177½	38	215
[illegible]	248½	57			17[illegible]	87½			121				78	185½		

Calls 8,216 Puts 8,156

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	3275 C	3275 P	3325 C	3325 P	3375 C	3375 P	3425 C	3425 P	3475 C	3475 P	3525 C	3525 P	[illegible] C	[illegible] P	3625 C	3625 P
Feb	216½	4	161½	6	120½	13	[illegible]	22	40	42	27	69	13	[illegible]	5½	147½
Mar	220	15	178	22½	139½	34	106	49	76	69½	52½	95	36½	127	21½	184
Apr			193½	36½			128	67			72½	113½			38	178
Jun			129½	61[illegible]			[illegible]½	95			111½	139½			71½	196
Sept†			200	86			287½	[illegible]			164½	164½			112	219

Calls 686 Puts 745 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

TRADING VOLUME

■ Major Stocks yesterday

	[illegible]	Closing price	Day's change
ASDA Group†	29,600	62	+2½
Abbey National†	2,100	[illegible]	-5
Albert Fisher	3,900	[illegible]	-1
Allied-Lyons†	2,400	[illegible]	-1
Anglian Water†	465	569	-5
Argos	447	379	-7
Argyll Group†	7,400	286	+5½
Arjo Wiggins†	621	[illegible]	
Assoc. Brit. Foods†	21	584	-1
Assoc. Brit. Ports	220	[illegible]	+17
BAA†	2,700	[illegible]	-26
BAT Inds.†	6,100	529	-7½
BET	2,900	161½	-1½
BICC	1,300	487	-3
BOC†	3,000	731	+8
BP†	9,800	375½	-1
BPB Inds.	4,800	360	-1
BT†	[illegible]	470	-4½
BT (Partly)	[illegible]	213	-2½
BTR†	17,000	384	-1½
Bank of Scotland†	362	231	-3
Barclays†	3,000	620	-7½
Bass†	1,600	560	-3
Blue Circle†	[illegible]	365	-7
[illegible]	[illegible]	461	
Boots†	2,400	561½	-1
Bowater†	2,700	[illegible]	-3
Brit. Aerospace†	[illegible]	[illegible]	+46
British Airways†	[illegible]	[illegible]	-1
British Gas†	12,000	364	-4
British Land	1,800	[illegible]	-2
British Steel†	36,000	[illegible]	-1
[illegible]	129	[illegible]	
[illegible]	466	843	+16
Burton	6,600	68½	-1
Cable & Wire†	2,400	525	-2
Cadbury Schweppes†	1,900	523	-12
Calor Group	63	356	-4
Caradon†	[illegible]	435	-4½
Carlton Comms.†	[illegible]	905	-4

Cookson, Courtaulds†, Dalgety, De La Rue, Enterprise Oil, Forte, Forte† [illegible], Gen. Accident, General Elec., Glaxo†, Granada†, Grand Met.†, Hanson†, Hays, ICI†, Ladbroke, Land Securities, Laporte, Legal & General, Lloyds Abbey, London Elec., Lucas, MEPC†, NFC†, NatWest Bank, National Power, North West Water, Northern Electric, Northern Foods, P & O†, RMC†, RTZ†, Racal, Rank Org.†, Reed Intl.†, Sainsbury†, Schroders†, Scottish & Newcastle, Scot. Hydro-Electric, Scottish Power, Sears†, Severn Trent, Shell Transport, Siebe†, Slough Estates, Smith (W.H.), Smith & Nephew, SmithKline Beecham, South Wales Elec., South West Water, South Western Elec., Standard Chartered†, Storehouse, Sun Alliance, T&N, TI Group†, TSB†, Tarmac, Tate & Lyle, Taylor Woodrow, Thorn EMI†, Unilever†, United Biscuits, Utd. Newspapers, Vodafone†, Welsh Water, Wessex Water, Whitbread, Yorkshire Elec., Yorkshire Water, Zeneca†.

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down. † Indicates an FT-SE 100 Index constituent.

FT - SE Actuaries Share Indices — The UK Series

	Feb 1	Day's chge%	Jan 31	Jan 28	Jan 27	Year ago	Div. yield%	Earn. yield%	P/E ratio	Xd adj. ytd	Total Return
FT-SE 100	[illegible]	[illegible]	[illegible]	3447.4	[illegible]	[illegible]	[illegible]	[illegible]	24.61	2.69	1276.20
FT-SE Mid 250	[illegible]	+0.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	26.50	8.67	1492.25
FT-SE Mid 250 ex Inv Trusts	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	24.96	6.66	1489.18
FT-SE-A 350	1758.7	-0.1	[illegible]	[illegible]	[illegible]	[illegible]	3.29	[illegible]	25.02	1.87	1320.80
FT-SE SmallCap	[illegible]	+0.9	2050.49	2032.69	2028.19	1496.15	2.64	3.32	39.63	2.70	1571.29
FT-SE SmallCap ex Inv [illegible]	[illegible]	+1.0	2012.58	1997.78	1994.07	1507.72	2.79	3.67	35.76	2.91	1546.69
FT-SE-A ALL-SHARE	[illegible]	----	1746.95	1727.31	1720.79	1378.96	[illegible]	[illegible]	25.64	1.88	1333.93

■ FT-SE Actuaries All-Share

	Feb 1	Day's chge%	Jan 31	Jan 28	Jan 27	Year ago	Div. yield%	Earn. yield%	P/E ratio	Xd adj. ytd	Total Return
10 MINERAL EXTRACTION(18)	[illegible]	[illegible]	[illegible]	2615.27	[illegible]	[illegible]	[illegible]	[illegible]	25.74	[illegible]	[illegible]
12 Extractive Industries(4)	4053.61	-0.5	[illegible]	3984.03	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.00	1090.65
15 Oil, Integrated(3)	2559.19	-0.8	2581.33	2529.62	2511.32	1897.50	[illegible]	[illegible]	[illegible]	[illegible]	1017.61
18 Oil Exploration & Prod(11)	[illegible]	[illegible]	1957.10	1928.45	1927.27	1912.80	[illegible]	[illegible]	[illegible]	[illegible]	1110.91
20 GEN MANUFACTURERS(284)	[illegible]	+0.7	2194.68	[illegible]	[illegible]	1693.30	3.33	[illegible]	[illegible]	1.71	[illegible]
[illegible] Building & Construction(31)	[illegible]	+1.4	1480.69	1476.21	[illegible]	[illegible]	[illegible]	1.19	[illegible]	0.48	[illegible]
22 Building Matls [illegible] Merchs(30)	2362.63	+0.4	2352.38	2350.12	2333.36	1467.00	[illegible]	2.44	[illegible]	1.14	[illegible]
23 Chemicals(20)	[illegible]	+0.4	2463.24	2434.65	[illegible]	2066.30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24 Diversified Industrials(16)	[illegible]	[illegible]	[illegible]	2144.78	2106.68	1856.20	4.02	[illegible]	[illegible]	[illegible]	1095.16
25 Electronic & Elect Equip(34)	2229.64	+0.4	2221.18	2198.61	2201.73	1803.70	[illegible]	[illegible]	[illegible]	1.10	[illegible]
26 Engineering(72)	1980.68	+0.8	1964.05	1935.35	1925.57	1421.10	2.73	1.97	[illegible]	[illegible]	[illegible]
[illegible] Engineering, Vehicles(12)	[illegible]70.90	+2.8	2403.82	2398.09	2401.43	1856.10	[illegible]	3.12	[illegible]	0.06	[illegible]
28 Printing, Paper [illegible] Pckg(2[illegible])	[illegible]	----	2926.87	2934.08	2940.52	2280.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29 Textiles & Apparel(22)	1995.85	+0.5	1986.04	1963.08	1964.42	1887.70	[illegible]	4.97	25.24	[illegible]	[illegible]
30 CONSUMER GOODS(93)	3010.69	-0.7	3032.35	3015.10	3012.31	2868.80	3.71	6.52	18.09	5.62	1003.19
[illegible] Breweries(17)	[illegible]	-0.4	2368.15	2367.39	2412.72	2113.50	3.82	7.16	17.17	9.84	1042.75
32 Spirits, Wines [illegible] Ciders(10)	3171.19	-[illegible]	3201.52	3152.76	[illegible]	2810.50	[illegible]	6.06	19.40	[illegible]	[illegible]
33 Food Manufacturers(23)	[illegible]	+0.1	2544.74	2533.10	2550.99	2344.50	[illegible]	6.[illegible]	[illegible]	[illegible]	[illegible]
34 Household Goods(12)	[illegible]	-0.6	2839.97	2811.54	2783.07	2406.70	[illegible]	[illegible]	17.81	0.00	[illegible]
36 Health Care(20)	[illegible]	-0.4	1894.75	1895.75	1888.78	1854.00	[illegible]	[illegible]	[illegible]	0.82	[illegible]
37 Pharmaceuticals(10)	3144.14	-1.0	3174.53	3161.69	3176.19	3502.00	[illegible]	6.46	[illegible]	[illegible]	964.69
38 Tobacco(1)	4437.83	-1.4	4500.75	4412.66	4316.19	4059.90	4.54	7.17	16.26	0.00	955.74
40 SERVICES(221)	[illegible]	----	2160.90	2139.16	2152.61	1801.70	2.74	5.20	23.45	2.51	1037.60
41 [illegible]	[illegible]	+1.0	3261.38	3232.60	3272.86	2497.80	2.55	[illegible]	26.55	[illegible]	1113.17
42 Leisure [illegible] Hotels(22)	2327.80	-0.5	2340.32	2313.87	2302.19	1740.40	[illegible]	5.22	[illegible]	[illegible]	[illegible]
43 Media(40)	3273.04	----	3272.69	3231.37	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Food(17)	[illegible]	+0.6	[illegible]	[illegible]	1757.88	2213.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Retailers, General(43)	[illegible]	+0.4	[illegible]	[illegible]	1795.01	[illegible]	[illegible]	[illegible]	25.19	[illegible]	[illegible]
48 Support Services(40)	1822.39	-0.3	1827.36	1828.23	1826.13	1537.40	2.15	[illegible]	18.26	[illegible]	[illegible]
49 Transport(16)	2754.17	-0.9	2779.26	2738.01	2716.96	2029.70	3.04	[illegible]	34.25	[illegible]	[illegible]
51 Other Services & Business(12)	1341.40	+0.1	13[illegible]	1336.15	1322.87	1360.20	[illegible]	[illegible]	[illegible]	0.60	[illegible]71
60 UTILITIES(36)	2724.57	-0.3	2732.26	2709.92	2669.48	2030.70	3.85	7.61	15.43	5.16	1018.78
62 Electricity(17)	[illegible]	-0.4	2578.53	2577.27	2539.20	1535.10	3.22	[illegible]	[illegible]	[illegible]	[illegible]
64 Gas Distribution(2)	2352.86	-0.2	2357.39	2344.35	[illegible]	[illegible]	[illegible]	[illegible]	17.[illegible]	[illegible]	[illegible]
66 Telecommunications(4)	[illegible]	-0.1	2422.98	2389.46	2351.78	1915.20	[illegible]	[illegible]	20.95	[illegible]	1006.18
68 Water(13)	2076.72	-0.5	2087.48	2066.97	2026.84	1823.90	4.45	10.91	[illegible]	3.48	999.19
69 NON-FINANCIALS(632)	[illegible]	-0.1	1852.51	1833.71	1827.41	1516.40	3.35	[illegible]	22.61	[illegible]	1271.57
[illegible] FINANCIALS(105)	[illegible]	+0.2	2696.83	2686.69	2652.27	1821.40	[illegible]	[illegible]	46.26	[illegible]	1034.66
71 [illegible]	[illegible]	+0.4	3[illegible]	3449.32	3437.66	2267.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
73 Insurance(18)	1573.49	-0.2	157[illegible]	1560.50	1551.71	1294.60	[illegible]	‡	‡	[illegible]	[illegible]
[illegible] Life Assurance(6)	2890.96	[illegible]	2877.47	[illegible]	2804.62	2410.00	4.04	[illegible]	29.91	0.00	[illegible]
75 [illegible] Banks(6)	[illegible]	----	3706.74	[illegible]	3691.94	2109.50	[illegible]	[illegible]	[illegible]	0.00	[illegible]
77 Other Financial(25)	[illegible]	+0.4	2231.33	2203.50	2199.02	1266.40	2.[illegible]	[illegible]	28.09	[illegible]	[illegible]
[illegible] Property(40)	[illegible]	[illegible]	1871.40	1857.21	[illegible]	[illegible]	[illegible]	2.98	[illegible]	[illegible]	[illegible]
80 INVESTMENT TRUSTS(119)	3158.36	[illegible]	[illegible]	3096.19	[illegible]	[illegible]	2.01	[illegible]	[illegible]	[illegible]	[illegible]
89 FT-SE-A ALL-SHARE(856)	1745.25	----	1745.95	1727.31	1720.79	1378.96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

■ Hourly movements

	Open	9.00	10.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	High/day	Low/day
FT-SE 100	3511.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FT-SE Mid 250	4095.7	[illegible]	[illegible]	4113.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FT-SE-A 350	1769.4	1766.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Time of FT-SE [illegible] Low 3.25pm

■ FT-SE Actuaries 350 Industry [illegible]

	Open	[illegible]	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Bldg [illegible] Cnstrcn	1441.7	1440.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pharmaceuticls	3146.9	3142.4	3144.2	[illegible]	[illegible]	3117.1	3117.7	[illegible]	[illegible]	3117.7	[illegible]	[illegible]
Water	2086.9	2082.9	2073.2	2077.8	2071.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-11.1
Banks	3586.1	3575.9	3590.6	3576.0	3542.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Lists of constituents are available from The Financial Times Limited, One Southwark Bridge, London SE1 9HL. The FT-SE Actuaries Share Indices Service, which covers a range of electronic and paper-based products relating to these indices, is available from FINSTAT at the same address. The FT-SE 100, the FT-SE Mid 250, FT-SE Actuaries 350 and the FT-SE Actuaries Industry [illegible] The FT "500" has been renamed FT-SE-A Non-Financials Index. The [illegible] by the International Stock Exchange of the United [illegible] of [illegible] and the FT-SE Actuaries All-Share Index is [illegible] baskets are calculated by the International Stock Exchange of the United Kingdom and [illegible] both in [illegible] and the [illegible] of Actuaries under a standard set of ground rules. compiled by The Financial Times Limited, [illegible] Limited 1994. © [illegible] Financial Times Limited 1994. All rights reserved. © The International Stock Exchange of the United Kingdom [illegible] of the London Stock Exchange and The Financial Times Limited [illegible] FT-SE Actuaries Share "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. Indices are audited by The WM Company. † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative. CONSTITUENT CHANGE: RECLASSIFICATION: Berisford International has moved from [illegible] to 22.

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Apr	Calls Jul	Calls Oct	Puts Apr	Puts Jul	Puts Oct
[illegible]	300	33	44	52½	5	17	23
(*329)	550	8½	17½	27½	27½	47	57½
BTR	[illegible]	[illegible]	21	25½	8½	22	25
(*[illegible])	420	2½	9½	17	[illegible]	[illegible]	[illegible]
Brit Telecom	460	16½	28	37	5	[illegible]	21
(*478)	500	2½	10	17½	32½	[illegible]	40½
Cadbury Sch	483	35½	48½	–	2½	14	–
(*[illegible])	542	1	13½	–	23	40½	–
Eastern Elec	[illegible]	17	38	58½	15½	27½	[illegible]
(*[illegible])	750	4	17½	[illegible]	[illegible]	[illegible]	[illegible]
Granada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(*[illegible])	[illegible]	[illegible]	[illegible]	31	[illegible]	[illegible]	[illegible]
GEC	[illegible]	[illegible]	[illegible]	30	[illegible]	8½	[illegible]
(*341)	380	2½	[illegible]	[illegible]	[illegible]	28	32½

Option		Calls	Calls	Calls	Puts	Puts	Puts
[illegible]	650	45	64½	76	36½	52½	68½
(*657)	700	22	43½	55½	66	81½	97½
[illegible]	1000	61	87	[illegible]	62	81½	100
(*1013)	[illegible]	39	74½	100	91½	109	125
Reuters	[illegible]	181	159	193	77½	[illegible]	138
(*[illegible])	2800	75	[illegible]	[illegible]	[illegible]	137	180
[illegible]		Feb	May	Aug	Feb	May	Aug
[illegible]	[illegible]	[illegible]	–	–	[illegible]	–	–
(*183)	195	2½	–	–	17	–	–

[illegible]

* Underlying security price. Premiums shown are based on closing offer prices.
February 1, Total contracts: 42,655 Calls: 26,766 Puts: 16,0[illegible]

FT GOLD MINES INDEX

	[illegible] 31	% chg on day	Jan 28	Jan 27	[illegible] ago	Gross div yield %	52 week High	52 week Low
Gold Mines [illegible]	[illegible]	[illegible]	2228.[illegible]	2172.72	1018.77	[illegible]	2357.40	1018.77
[illegible]								
Africa (15)	[illegible]	+1.6	[illegible]	[illegible]	[illegible]	[illegible]	3440.80	1131.82
[illegible]	[illegible]	[illegible]	2802.44	2920.60	1076.32	[illegible]	3013.[illegible]	[illegible]
North America (11)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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Figures in brackets show number of companies. Basis US Dollars. Base Values: 1000.00 31/12/92.
Predecessor Gold Mines Index: Feb [illegible]: 224.9 ; day's change: +1.6 points; Year ago: 79.9 † Partial
Latest prices were unavailable for [illegible] edition.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	16	41	21
Other Fixed Interest	3	[illegible]	7
Mineral Extraction	85	55	[illegible]
General Manufacturers	258	102	326
Consumer Goods	63	[illegible]	90
Services	181	80	[illegible]
Utilities	21	20	[illegible]
Financials	138	73	[illegible]
Investment Trusts	207	52	206
Others	68	24	[illegible]
Totals	1,032	496	1,185

Data based on those companies listed on the London Share Service.

TRADITIONAL OPTIONS

First Dealings	Jan. 24	Last Declarations	April [illegible]
Last Dealings	Feb. 4	For [illegible]	May 3

Calls: Aegis, Aerospace Eng, Aminex, Birkdale, Coalist, Dinkie Heel, Europa Energy, Filofax, Hanson Wts, Hartstone, Medeva, Nat Hme Ln, Nat Hme Ln Pf, Ovoca Res, Ramsdens (Harry), St James Place, Taylor Woodrow, Wilton. Puts: Filofax, Nat Hme Ln Pf, Singer & Friedlander, Wiggins. Puts & Calls: Aegis, Medeva, Ovoca Res, Singer & Friedlander, Taylor Woodrow.

LONDON RECENT ISSUES: EQUITIES

[illegible] p	paid up	[illegible]	1993/94 [illegible]	1993/94 [illegible]	Stock	[illegible] price p	+/-	[illegible] div.	Div. cov.	[illegible] yld	[illegible] net
–	F.P.	91.7	74½	[illegible]	Baring Emrg Euro	[illegible]	+¼	–	–	–	–
–	F.P.	[illegible]	[illegible]	[illegible]	Do [illegible]	42¼		–	–	–	–
100	F.P.	[illegible]	100	[illegible]	[illegible]	[illegible]	+½	–	–	–	–
–	F.P.	[illegible]	113	101½	Finsbury [illegible]	[illegible]		–	–	–	–
[illegible]	F.P.	[illegible]	[illegible]	100	For [illegible] C	[illegible]	+½	–	–	–	–
[illegible]	P.P.	18.0	[illegible]	59	[illegible] Eth	60		–	–	–	–
[illegible]	P.P.	[illegible]	[illegible]	121	Do. Units	127		–	–	–	–
60	P.P.	18.6	63	61	Do. Zero Div Pf	[illegible]	-½	–	–	–	–
–	F.P.	[illegible]	[illegible]	63	[illegible] Wts	63		–	–	–	–
[illegible]	F.P.	6.75	[illegible]	42	[illegible]	42	-2	–	–	–	–
[illegible]	F.P.	[illegible]	11½	10¼	Rossmont	11½		–	–	–	–

† Introduction. § Placing price. F.P. Fully-paid security. For an explanation of other notes, please refer to the Guide to the London Share Service.

FIXED INTEREST STOCKS

[illegible] price £	[illegible] paid up	[illegible] Renun. [illegible]	1993/94 [illegible]	1993/94 [illegible]	[illegible]	Closing price £	[illegible]
-	F.P.	-	95	[illegible]	Budgens [illegible] Cv [illegible]	94½	
60	P.P.	-	88pm	[illegible]	[illegible] Ln '95/97	88pm	
-	F.P.	-	110¼p	[illegible]	[illegible] 7¼pc [illegible]	109¼p	
-	F.P.	18/2	144¼p	127½p	Trafalgar [illegible] Pf	144¼p	+4
-	F.P.	-	[illegible]	107	Wilson 6¼pc Bds	129	+½

RIGHTS OFFERS

[illegible] price p	[illegible] up	[illegible] Renun. date	1993/94 High	1993/94 [illegible]	[illegible]	[illegible] price p	[illegible]
[illegible]	Nil	17/2	[illegible]	[illegible]	Anglo Irish	[illegible]	
[illegible]	Nil	18/3	112pm	103pm	Berisford	112pm	
[illegible]	Nil	9/2	18pm	[illegible]	[illegible] Nicholson	15pm	+3
68	Nil	24/2	7pm	¼pm	Halkin	1½pm	+¼
25	Nil	[illegible]	1¾pm	¼pm	[illegible]	1¾pm	

pm [illegible] at a premium.

FINANCIAL TIMES EQUITY INDICES

	[illegible] 1	Jan [illegible]	Jan 28	Jan 27	Jan 26	Yr ago	[illegible]	*Low
Ordinary Share	[illegible]	2677.2	[illegible]	[illegible]	[illegible]	2195.7	2677.2	[illegible]
Ord. div. [illegible]	[illegible]	3.47	3.52	[illegible]	[illegible]	[illegible]	[illegible]	3.47
Earn. yld. % full	3.94	3.93	[illegible]	4.00	[illegible]	5.88	6.38	[illegible]
[illegible] ratio net	[illegible]	[illegible]	31.70	31.53	31.67	21.69	[illegible]	19.40
[illegible] nil	[illegible]	[illegible]	[illegible]	[illegible]	29.36	[illegible]	29.79	18.14

*For 1993/94. Ordinary Share Index since compilation: high 2677.2 31/01/94; low 49.4 26/6/40
FT Ordinary Share Index base date 1/7/35.

[illegible]

Open	[illegible]	10.00	[illegible]	[illegible]	[illegible]	[illegible]	16.00	16.00	High	[illegible]
2692.8	[illegible]	[illegible]	[illegible]	[illegible]	2678.9	[illegible]	[illegible]	2676.0	[illegible]	2671.3

	Feb 1	Jan [illegible]	[illegible]	[illegible] 27	[illegible]	[illegible]
SEAQ [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity [illegible] (£m)†	-	1768.4	[illegible]	2019.2	[illegible]	[illegible]
[illegible]	-	[illegible]	[illegible]	43,137	[illegible]	44,893
[illegible] (m)†	-	[illegible]	1015.4	847.1	741.5	[illegible]

† Excluding intra-market business and overseas turnover.

LONDON SHARE SERVICE

BANKS

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl		£24⅜	-⅛	£26¼	£18¼	6,842	4.3	13.1
ANZ A$		258½	-7	289¼	130	3,358	3.5	20.2
Abbey National	†□	499	-5	524	345	6,541	3.0	19.2
Allied Irish I£	♣†a□	390	+1	374	179	1,878	3.5	15.3
Anglo Irish I£	♣M□	68xa	—	*70	28	165.8	6.3	12.4
Asahi Y		716	-6¼	844	415	16,591	0.5	-
Banco Bil Viz Pta		£19¼	-¼	£17⅞	£13⅞	3,626	5.4	6.9
Banco Sant Pta		£32¼	—	£38	£24⅛	3,669	4.1	12.2
Bank Leumi (UK)		376	—	375	325	29.6	5.7	-
Bk Ireland I£	♣u□	307	-1	*319	177	1,447	4.1	22.8
Bank Scotland	♣†□	231	-8	247	118½	2,688	2.5	31.4
9¼pc Pf		141⅛	—	141½	117¼	141.2	8.2	-
9¼pc Pf		149¼	—	149¼	123½	149.2	8.2	-
Barclays	♣N□	620	-7½	652	382	10,062	2.5	-
Dai Ichi Kan Y		£12⅜	-⅛	£15⅞	£8⅝	38,277	0.4	67.8
Deutsche DM		£322⅛	-13	£348⅞	£250½	16,352	1.9	-
Espirito Santo		£24⅛	-⅛	£26⅛	£18½	282.9	3.3	6.9
First Nat Fin	N□	88xd	—	*95	45	146.7	2.1	♦
6.3pc Cv Pf		89	—	*91	55	5.82	8.5	-
7pc Cv Pf		167	—	168	106	79.2	5.2	-
Fuji Bank Y		1316	-64	1651	878	28,107	0.4	-
HSBC HK	†□	1034	+31	1043	474	17,858	2.4	24.7
HSBC (75p Shs)	†□	1014	+23	1028	480	8,334	2.5	24.3
Lloyds	†□	638	-4	690	492	8,191	3.7	18.2
Mitsubishi Y		£18¼	-⅛	£19¼	£11⅞	52,189	0.3	-
Mits Tst & Bk Y		887	+11¼	1012½	462½	11,879	0.6	14.4
Mitsui Tst & Bk Y		709	-30¼	852	374	8,494	0.8	24.1
Nat Aust A$		608½	+3¼	608½	322	8,017	3.7	♦
NatWest	†□	589	-5	634	398	9,788	3.4	35.8
[redacted]		£32½	—	£33	£23¼	162.8	4.6	9.5
[redacted]d	♣N□	500xd	+4½	508	207	3,870	2.8	22.6
[redacted]		£9½	+½	£11	£5¼	31,458	0.6	59.3
[redacted]		£13½	-1½	£16	£7⅛	[redacted]	0.4	-
[redacted]rd	†□	1382	-5	[redacted]	678	[redacted]	1.9	-
[redacted]		107	-¼	[redacted]	108	[redacted]	8.8	-
[redacted]		£13⅞	-2¼	£16¼	£8⅞	[redacted]	0.4	29.8
[redacted]Y		828	-46¼	887½	437½	[redacted]	[redacted]	64.7
TSB	♣M□	275	-4	291	145½	4,174	[redacted]	21.3
Tokai Y		£7⅜	-⅛	£8⅞	£4⅞	16,650		51.6
Toyo Tst & Bk Y		870¼	-19¼	940	417	6,268	0.7	59.8
Westpac A$		259	-2	268	121	4,488	2.1	♦
Yasuda Tst Bk Y		580¼	-1⅓	680	343	8,272	0.9	80.7

BREWERIES

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

BUILDING MATS. & MERCHANTS - Cont.

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
Tarmac	□	197	-1½	*204½	100	1,809	3.5	-
Tilon	♣	220xd	—	240	150	24.7	2.4	♦
Travis Perkins	□	341	—	376	188	348.5	2.9	80.8
Tudor	♣	21	—	30	21	2.38	1.5	-
Unigroup	□	38	—	70	11½	11.1	-	-
Waterhouse	♣	40	+2	49	26	1.00	-	-
Wickes	ρZ□	126½	+½	*129	78	473.8	0.2	57.3
Wilshaw	†N□	43½	—	48½	17	35.8	1.8	27.4
Wolseley	♣M□	989	-6	989	500	2,426	1.8	27.1

CHEMICALS

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
AGA Skr		£26⅝	+⅛	£27	£20⅝	767.7	2.1	20.1
Akzo Fl		£71⅞	-⅛	£72⅛	£47⅞	3,277	3.3	13.8
Allied Colloids	†N□	257xd	+1	258	210	678.4	2.1	23.7
Amber Ind	†N	74xd	—	74½	34½	29.2	3.2	17.1
BASF DM		£116⅞	-1⅜	£119½	£83¼	6,626	5.5	-
BOC	♣N□	731xd	+9½	770	580	3,479	4.0	17.4
BTP	♣†N□	337xd	-6	*372	198	[redacted]	3.5	27.1
Bayer DM		£141⅛	-1⅛	£142⅞	£101⅞	[redacted]	3.7	-
Brent	N□	117	-2	195	93	[redacted]	7.8	10.7
British Vita	†□	289	-3	298	215	[redacted]	3.4	16.6
Cambridge Iso S	♣	22	—	34	22	[redacted]	-	-
Canning (W)	♣□	185	—	186	126	[redacted]	4.9	21.2
Cementone	♣N	95	+2	97	36	[redacted]	3.6	43.8
Warrants		31	—	35	28	[redacted]	-	-
Courtaulds	†N□	525	+1	608	421	2,[redacted]	3.4	13.1
Croda	†N□	371	-1	378	228	488.4	2.7	21.3
Doeflex	♣	127	—	149	103	13.7	4.5	9.7
European Colour	♣†□	38½	—	42½	15½	10.7	3.1	17.0
Gibbon Lyons	♣†	148xd	—	154	65	13.4	4.4	16.7
Hartone	□	4	—	11½	[redacted]	[redacted]	-	-
7pc Pf		8	—	35	13	[redacted]	-	-
Headway	♣N	41	+1	41	17	[redacted]	2.1	-
Hickson	♣N□	194	+2	241	150	[redacted]	5.2	18.6
Hoechst DM		£123⅞	+⅞	£123⅞	£88⅜	7,202	2.8	-
Holliday Chemical	W□	187	—	229	157	169.8	2.5	17.2
ICI	W□	797	+3½	805	608	5,754	4.3	-
Kalon	♣†N□	175	+2	178	73	231.7	2.5	24.3
Laporte	♣†□	802	—	827	578	1,570	3.0	22.7
MTM	□	59	+1	97½	35	15.0	-	-
Manders	†	394	—	[redacted]	348	[redacted]	3.8	24.1
McLeod Russel	N□	119	—	[redacted]	85	[redacted]	6.4	17.8
Metrotect Inds	W□	117xd	—	[redacted]	112	[redacted]	3.5	18.3
Perstorp Skr		£28⅞	-⅛	[redacted]	£18	[redacted]	1.3	♦
Plasmec	♣†	70	—	[redacted]	63	3.29	3.4	5.9
Porvair	♣†	282	+4	[redacted]	173	45.8	1.8	31.2
Wardle Storeys	M□	470	—	[redacted]	472	118.1	4.8	21.7
Wolstenholme	♣	610	—	[redacted]	395	45.1	3.5	20.9
Yorkshire	♣†N□	464	—	[redacted]	330	212.0	2.1	24.9
Yule Catto	†q□	309	+1	[redacted]	233	307.1	2.4	18.3

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

FOOD MANUFACTURERS

GAS DISTRIBUTION

HEALTH CARE

HOUSEHOLD GOODS

INSURANCE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

	Notes	Price	+ or -	1993/94 high	low	Yld Gr's	NAV	Dis or Pm(-)
Finsbury Smlr Co's	♣†s	181	+2	181	98	2.1	194.2	6.8
Zero Pf		187	—	187	165	-	-	-
Finsbury Tst	♣	174	+2	174	81	2.3	181.2	4.0
A		169	+2	169	77	2.2	-	-
First Ireland	□	110	—	111	85	1.8	121.5	9.5
Warrants		31½	+½	37	5	-	-	-
First Philippine	□	98	-1	103	41	0.3	102.0	13.7
Warrants		48	-1½	60	12	-	-	-
First Spanish	♣□	85	—	93	58	11.6	98.5	11.9
Warrants		27½	+½	27½	7	-	-	-
Warrants 1997	□	20½	+½	20½	10	-	-	-
Cv Ln 1997		63½	—	64	60	-	-	-
Fleming American	♣†□	342	+1	343	246	0.3	332.8	-2.7
7pc Cv Ln '99		£268½	+1½	£268½	£229½	2.4	-	-
Fleming Chinese	□	118½	+½	148	81	-	114.1	-3.7
Warrants	□	77	+2	92	52	-	-	-
Fleming Claverhse	♣h	268	+2	268	190½	2.8	248.8	-7.6
Flmg Cont Euro	♣□	378	+3	378	232	0.8	378.4	-.4
Fleming Emg Mkts	♣M□	205½	-½	210½	124	-	200.2	-2.6
Warrants		130½	+2½	131	42	-	-	-
Fleming Ent	♣M□	256	+1	256	147	2.3	254.0	-.8
Fleming Eur Fldgn	♣□	110	+1	114	55	0.2	106.8	-2.8
Warrants		35	+1	44	6	-	-	-
Fleming Far East	♣□	412	+5	489	213	0.3	465.4	11.5
Fleming Fledge.	♣	413	+3	413	246	0.8	419.3	1.5
Flmg Geared Inc	♣	248xd	+2	248	147	3.7	304.2	18.5
Warrants		218	—	223	90	-	-	-
Cm Ptg Pf		187	-1	188	157	8.8	-	-
Fleming High Inc	♣M	113	—	122	93	4.8	115.1	1.8
Warrants		23	—	28	11½	-	-	-
Fleming I & C Inc	♣R□	97½xd	—	101½	70	6.1	104.1	6.3
Units	R□	146xd	—	150	111	4.0	140.3	-3.9
Zero Div Pf		47¼	—	48¼	40¼	-	-	-
Fleming Int High	♣M□	48½xd	-⅛	62½	24½	8.2	60.4	19.7
Zero Div Pf		98¼	—	98	86½	-	-	-
Fleming Japan	♣M□	253	-5	273	136	0.2	253.6	-0.8
Warrants	□	135	-5	149½	28	-	-	-
Fleming Merc	♣L□	341½xd	+½	343	250	2.6	367.9	7.2
Fleming O'seas	♣□	340	+3	341	212	1.3	370.8	8.3
Foreign & Col	♣M□	300	+4	300½	203	1.4	304.4	-1.2
For & Col Emg Mkt	♣□	142	+3	142	58½	0.2	130.4	-8.2
Warrants	□	85	+3	89	51	-	-	-
6½pc Cv Ln 2010		£214½	+5½	£214½	£91½	[redacted]	-	-
For & Col Ent	♣□	77	—	77	44	[redacted]	73.5	-4.8
For & Col Euro	♣M□	[redacted]	+2	258	164	[redacted]	244.7	-4.4
For & Col German	♣□	[redacted]	+1½	148	87	[redacted]	147.3	12.4
Warrants		[redacted]	+3	63	14	-	-	-
For & Col High	♣□	[redacted]	—	86	61	4.0	83.2	1.4
For & Col Pac	♣M□	[redacted]	+2	373	181	0.7	367.1	4.4
Warrants		280	-1	294	113	-	-	-
For & Col PEP	♣□	136	-½	144	100	3.1	133.6	-0.0
For & Col Smsll	♣†□	189½xd	+1	189½	116	1.2	188.0	-1.0
For & Col SMT Sp Inc	□	74½	-½	76	67	-	-	-
Capital	□	57	+½	57	42	-	-	-
Units	□	131½	-½	139	109	-	113.2	-13.9
For & Col US Smlr	□	119	+2	119	96	-	106.8	-10.4
Warra[redacted]	□	82	+2	82	30	-	-	-
French [redacted]	♣□	98	—	99	62½	2.8	107.5	7.9
Warr[redacted]		29	+½	29	4	-	-	-
Fulcrum[redacted]	♣M	93	—	94	40	10.7	-	-
Cap. [redacted]	□	27	—	27	8	-	71.4	62.2
Zero D[redacted]		142½	—	142½	112¼	-	-	-

LONDON SHARE SERVICE

LEISURE & HOTELS - Cont.

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
Northern	M□	[redacted]	+1	48	7½	13.3	–	8.9
Owners Abrd	†□	147	—	148	98	164.7	4.9	8.1
9¾p Cv Pf		180	—	240	120	59.7	6.8	–
Parkdean Leis	W□	182	+5	182	127	15.2	3.6	17.5
Pelican	♣‡□	59	—	59	39	38.5	1.5	20.9
PizzaExpress	M	129	-3	134	47	68.1	0.6	27.3
Prism Leis	♣‡†□	103xd	—	103	55	15.6	2.4	16.8
Quadrant	□	36	—	42	16	8.42	–	–
Queens Moat	M	47½xd	—	69	44	430.6	3.7	–
7pc Cv Pf		104	—	128	101	27.1	8.4	–
7½pc Cv Pf		85	—	99	82	189.6	11.0	–
Ramadan's (H)	♣	208	—	228	192	12.4	2.7	27.3
Rank Org	♣‡□	1005	-13	1101	635	3,547	3.8	23.5
8¼p Cv Pf		163	-½	164	113½	371.6	6.2	–
Regal Hotel	‡□	2	—	2¼	0¾	13.8	–	–
Resort Hotels		40	—	55	28	40.8	9.6	8.8
Ryan Hotels IE	□	30	—	39	11½	19.8	4.2	–
Savoy A		895	-2	1025	788	200.6	0.9	–
Spear (JW)	†	490	-70	500	300	25.2	1.2	8.8
Stakis	♣□	86	—	98	34½	320.8	1.5	♦
Stanley Leis	‡□	331xd	—	330	[redacted]	151.8	2.0	28.1
Sunleigh	‡□	6½	—	10	[redacted]	5.90	–	–
Surrey	♣‡□	2¼	—	2	1	2.82	–	–
Tsplong		345½	—	408	345¼	647.2	0.5	18.7
Thorn EMI	M□	1103xd	-4	1109	888	4,875	3.6	25.5
Ticketing Grp	‡□	2½	—	2½	1	19.9	–	–
Tomorrows Leis	♣	18	—	22	13½	1.84	–	–
Tottenham	♣M	88xd	—	117	84	14.2	2.8	4.7
Vardon	†□	129	+3	137	62	62.1	0.8	28.7
Wembley	‡□	17	+½	22	11	43.8	–	–
Zetters		111xd	—	120	83	7.28	9.8	12.8

LIFE ASSURANCE

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
AEGON Fl	†	£36⅛	+⅛	£38	£22⅛	[redacted]	3.6	11.3
Britannic	†M□	620	+8	680	359½	[redacted]	2.7	–
Irish Life IE	□	220	—	241	158	[redacted]	4.4	–
Legal & Gen	†M□	538	+5	547	403½	[redacted]	4.5	32.7
Liberty Life Africa R	†M	£11½	-⅜	£12⅛	£7⅛	[redacted]	2.6	18.9
Lincoln Nat $		£29⅛	+⅛	£32¼	£20⅞	[redacted]	3.8	–
Lloyds Abbey	□	432	+8	471	403	[redacted]	4.8	18.3
Lon & Man	†□	415	+1	443	274	[redacted]	4.4	30.8
Prudential	‡†M□	370	-½	385	287½	[redacted]	4.2	24.8
Refuge	†□	388	+10	404	263½	[redacted]	3.4	43.5
Transatlantic	□	420	-1	440	238	[redacted]	3.5	39.7
8.5pc Cv Pf		118½	-½	122	85	[redacted]	6.3	–
Utd Friendly B	‡†□	648	+13	723	480	[redacted]	2.9	28.2

SPIRITS, WINES & CIDERS - Cont.

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
Highland	M□	489	+2	493	255	530.5	2.0	20.8
Invergordon	♣M	381	—	393	250	383.8	2.9	17.2
Macallan-Glen	♣†	155	-4	166	118	180.6	3.5	34.8
Macdon Martin A	†M	445	—	485	365	88.5	2.5	21.2
Matthew Clark	♣M	587	+2	*595	288½	133.8	3.9	19.3
Merrydown		235	-13	300	210	28.5	3.7	21.8
Seagram $		£20⅞	+⅛	£20⅞	£16	[redacted]	1.8	–
Taunton Cider	†□	182xd	-4	225	155½	[redacted]	4.3	14.3

SUPPORT SERVICES

TRANSPORT - Cont.

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
Scotfield IE	□	14½	+½	21½	7½	9.00	–	–
Stagecoach	LN□	183	—	183	112	227.5	2.6	22.3
TNT A$		112½	+2½	114¼	31½	636.6	–	–
Tibbett & Britten	♣†□	895	—	895	634	392.9	1.5	34.2
Tiphook	M	62	-1	382	37	68.8	–	–
Transport Dev	♣M□	323	+3	328½	227	474.8	3.7	10.7
Uyland Intl	□	127	+11	127	98	30.4	–	–
Vard NV		£5⅞	—	£5⅞	£1½	170.2	–	–
Wah Kwong HK$		145¼	—	146¼	97½	183.9	2.3	7.2

WATER

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
[redacted]	♣†M□	656xd	-6	619	455	1,681	4.8	11.3
[redacted]	†M	1098xd	-2	1092	775	72.4	3.6	13.3
Chester A	†	470	—	473	195	23.6	3.7	16.8
B N/V		455	—	458	180	10.9	3.0	16.2
East Surrey	†	400	+2	400	270	60.5	3.7	9.9
Mid Kent	†M	365	+5	365	244	62.4	3.7	13.5
North West	†M□	592xd	-7	611	431½	2,170	4.7	9.6
Northumbrian	♣†M□	743xd	+9	761	547	500.0	3.9	8.7
Severn Trent	♣†M□	619xd	+1	633	439	2,222	4.4	9.8
South Staffs	♣†	1593	-7	1665	1125	88.6	3.9	11.3
South West	†M□	635xd	-3	675	465	795.7	4.8	10.3
Southern	†M□	651xd	+8	666	454	1,091	4.2	10.5
Thames	♣†M□	592xd	-8	611	454	2,230	4.5	11.6
Welsh	†M□	710xd	-4	740	506	1,031	4.3	7.2
Wessex	†M□	741xd	-2	*759½	536	927.7	3.7	11.8
York W'works	♣†	348	—	348	210	21.5	3.4	15.3
[redacted]	♣†M□	594xd	-8	630	473½	1,104	4.6	9.9

AMERICANS

CANADIANS

SOUTH AFRICANS

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind		£19½	—	£19½	£7½	806.4	5.2	11.4
Barlow Rand		245	+3	250	24	[illegible]	7.1	8.4
Gold Fields SA R		£14⅛xd	+⅛	£16	£7⅛	1,411	2.7	24.8
MK Props	♣	60	—	97	60	3.62	9.9	37.0
SASOL	♥	284	-1	305	215	1,608	5.5	–
SA Brews		£12⅛	+⅛	£13⅛	£7⅛	7,008	2.1	21.4
Tiger Oats		713	+13	800	513	1,671	2.3	16.1
Tongaat-Hulett	†	516xd	+13	810	212	385.4	2.9	14.4

INVESTMENT TRUSTS - Cont.

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service.

INVESTMENT COMPANIES

MEDIA

MERCHANT BANKS

OIL EXPLORATION & PRODUCTION

OIL, INTEGRATED

OTHER FINANCIAL

OTHER SERVICES & BUSINESSES

PHARMACEUTICALS

PRINTING, PAPER & PACKAGING

PROPERTY - Cont.

PROPERTY

RETAILERS, FOOD

RETAILERS, GENERAL

SPIRITS, WINES & CIDERS

TELECOMMUNICATIONS

TEXTILES & APPAREL

TOBACCO

TRANSPORT

LEISURE & HOTELS

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by Extel Financial, a member of the Financial Times Group.

Company classifications are based on those used for the FT-SE [redacted] Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated [redacted] for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAV[redacted] for Investment Trusts, in pence per share, along [redacted] the [redacted] discounts (Dis) or premiums (Pm -) to [redacted] current closing sha[redacted] NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

□ Indicates the most actively traded [redacted] this includes UK stocks where transactions and prices are [redacted] continuously through the Stock Exchange Automated Quotation [redacted] (SEAQ) and non-UK stocks through the SEAQ International System.
• Highs and lows marked thus have been adjusted to allow for rights issues for cash
† Interim since increased or resumed
‡ Interim since reduced, passed or deferred
♦ Figures or report awaited
♥ Not officially UK listed; dealings permitted under rule 535(4)[redacted]
♣ Free annual/interim report available, see details below.
♠ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
‡‡ Not officially UK listed; dealings permitted under Rule 535(2)
§ Price at time of suspension
¶ Indicated dividend yield after pending scrip and/or rights issue.
♦ Merger bid or reorganisation in progress
§ Forecast dividend yield; p/e based on earnings updated by latest interim statement.
♠ Unregulated collective investment scheme.

[redacted]
g Assumed div[redacted] yield after right[redacted] issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v Not subject to ACT.
z Dividend yield includes a special payment
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993
K Yield based on prospectus or other official estimates for 1994
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94.
N Figures based on MIR 'Headline Earnings'
P Figures based on prospectus or other official estimates for 1994
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xi ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a [redacted] of £1235 a year for each security shown, subject to the Editor's discretion

FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣. Ring 081 770 0770 (open 24 hours including weekends) or fax 081 770 3822, quoting the code FT4614. [If calling from outside UK, dial +44 81 770 0770 or fax +44 81 770 3822] Reports will be sent the next working day, subject to availability. If faxing please remember to state the weekly changing FT c[redacted] above and also your post code.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for ca[redacted] outside the UK, annual subscription £250 stg.

Call 071-873 4378 (+44 71 873 4378, International) for more information on FT Cityline.

FT MANAGED FUNDS SERVICE

- FT Cityline Unit Trust Prices are [redacted] over the telephone. [redacted] the FT Cityline Help Desk on (071) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (¥) - 0001 to 1100 hours; (‡) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (#) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071-379-0444.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071 [redacted] more details.

TSB Unit Trusts (1200)F
Charlton Pl, Andover, Hants, SP10 1RE 0264 345794

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Grs
TSB American	6	229.03	231.22	245.97	-0.70	–
Do Accum	6	251.25	254.67	270.93	-0.78	–
TSB UK Growth	6	103.13	104.38	111.13	+0.21	1.50
Do Accum	6	122.76	123.70	131.60	-0.25	1.50
TSB European	6	113.74	113.74	121.00	-0.09	0.08
Do Accum	6	128.88	128.88	128.59	-1.08	0.08
TSB Extra Income	5	221.99	227.07	241.56	-0.47	3.32
Do Accum	6	368.06	371.29	394.95	+0.77	3.32
TSB Smaller Cos	6	79.01	82.01	87.25	+0.74	0.64
Do Accum	6	88.84	91.17	96.99	+0.82	0.64
TSB General	6	313.93	317.79	338.08	+0.74	1.90
Do Accum	6	632.21	640.21	681.07	+1.94	1.90
TSB Premier Income	5	56.47	57.47	59.87	+0.11	5.79
Do Accum	5	122.33	124.70	129.90	+0.26	5.79
TSB Income	6	386.72	391.87	416.88	+1.14	3.97
Do Accum	6	819.01	829.91	882.89	+2.43	3.97
TSB Pacific	6	459.70	464.19	493.82	-0.90	–
Do Accum	6	483.03	487.76	518.88	-1.03	–
TSB International	6	584.78	588.16	625.70	-2.08	0.02
Do Accum	6	767.49	771.92	821.19	-3.52	0.02
TSB Nat Resources	6	181.25	184.15	195.90	-1.41	–
Do Accum	6	198.98	202.10	214.99	-1.55	–
TSB Stetd Opps	6	121.29	123.25	131.11	+0.97	0.80
Do Accum	6	151.08	153.52	163.32	+1.21	0.80
Environmental Inv	6	69.15	70.13	74.61	+0.31	1.08
Do Accum	6	74.76	76.03	80.89	+0.34	1.08
TSB Selector	6	70.24	71.32	75.87	+0.32	1.81
Do Accum	6	78.05	79.25	84.31	+0.36	1.81
TSB High Income	6	73.00	73.80	78.52	+0.02	3.87
Do Accum	6	89.83	90.80	96.54	+0.02	3.67
TSB Intl Income	6	84.10	84.50	88.82	-0.11	4.62
Do Accum	6	75.58	76.05	80.91	-0.13	4.52
TSB Selector Income	6	69.68	69.37	73.80	+0.08	4.35
Do Accum	6	78.04	78.83	83.87	+0.10	4.45

T.U. Fund Managers Limited (1200)H
NLA Tower, Addiscombe Road, Croydon 081-686 4355

T.U. British	5	362.1	367.3	388.6	+0.7	2.39
T.U. European	5	53.84	53.84	56.37	-0.46	2.00

Templeton Unit Trust Managers Ltd (1200)F
Atholl Crescent, Edinburgh EH3 8HA 031-228 3932

Global Growth Acc	6	273.45	273.81	290.17	+2.14	1.38
Global Growth Inc	6	211.75	212.17	225.82	+1.95	1.38
Global Balanced Acc	6	207.38	207.55	221.09	+1.91	2.42
Global Balanced Inc	6	181.12	181.28	193.00	+1.66	2.42
Value Tst Acc	6	138.49	139.13	148.00	+0.95	1.26
Value Tst Inc	6	127.15	127.55	139.42	+0.86	1.26

Thornton Unit Managers Ltd (1200)F
33 Queen Street, London EC4R 1AX 071-246 3000
Dealing 071-246 3001

American Smlr Cos	5	69.62	69.62	74.26	-0.22	0.00
(Accum Units)	5	71.80	71.80	76.58	-0.24	0.00
Dresdner Europe Bd	5	44.73	44.71	[illegible]	+0.02	8.06
(Accum Units)	5	63.01	63.01	[illegible]	+0.03	8.08
European	5	287.00	287.60	[illegible]	+1.82	0.82
(Accum Units)	5	287.69	287.60	[illegible]	+1.82	0.82
Exempt	2½	587.81	587.81	[illegible]	+0.34	3.12
(Accum Units)	2½	1995.80	1995.80	[illegible]	+1.11	3.12
Iberian Growth	5½	52.01	52.01	[illegible]	+0.52	–
Intl Growth	5	115.57	115.57	122.95	+1.20	1.00
(Accum Units)	5	125.57	125.57	[illegible]	[illegible]	1.00

Waverley Unit Tst Mngmt Ltd (1000)F
13 Charlotte Sq, Edinburgh 031-225 1551

Whittingdale Unit Tst Mngmt Ltd (0830)F
2 Honey Lane, London EC2V 8BT

Woolwich Unit Trust Managers Ltd (1700)H
3 White Oak Square, Swanley BR8 7AG 081-298 3000

Stockmarket Fd	5	84.78	84.77	90.18	-0.19	1.53

OTHER UK UNIT TRUSTS

Baillie Gifford & Co Ltd

	Bid Price	Offer Price	+ or -	Yield Grs
Int'l Expt Jan 31	809.7	826.8	–	0.90

Baring Investment Mngmt Ltd
155 Bishopsgate, London EC2M 3XY
071-214 1050 (general enquiries) 071-214 1004 (dealing)
Charitable Funds

UK Growth & Interest	93.91	[illegible]	–	3.0
Income Plus	55.80	[illegible]	–	8.8

CAF – Charity Money Management
48 Pembury Rd, Tonbridge TN9 2JD 0732 770114

Balanced Growth	81.86	83.69	–	3.36
Income	67.84	68.84	–	6.01

CIN Unit Trust Managers Ltd

James Capel Fund Managers Ltd

Managed Exempt	£119.811	[illegible]	+0.784	[illegible]
Japanese Exempt	£162.411	164.44	-3.322	[illegible]
Pacific Exempt	£176.511	182.798	+7.248	[illegible]
European Exempt	£142.135	143.311	-0.116	[illegible]
North American Exempt	£119.37	121.132	+0.571	[illegible]
Fixed Income Exempt	£99.0639	100.124	+0.087	[illegible]

Cent. Bd. of Fin. of Church of England‡
2 Fore Street, London EC2Y 5AQ 071-588 1815

Inv Fund Dec 30	703.40	711.85	–	4.22
Fxd Int Sec Dec 30	171.76	172.09	–	8.40

Deposit Fund: See Money Market Trust Funds.

Charinco/Charishare‡ (1000)F
33 King William Street, EC4R 9AS

Edinburgh Fund Mngrs PLC
Exempt Funds

Managed Feb 2	207.4	218.2	+3.2	2.48
Japan Jan 31	129.0	131.8	+3.4	0.30
Em Jap Cos Jan 31	621.4	646.9	+22.8	0.10
Latin American Feb 1	214.9	226.8	+5.5	0.22

Ely Place Investments Ltd
28 Ely Place, London, EC1N 6RL 071-242 0242

Alpha Charity	50.31	52.38	–	–

Fidelity Investment Services Ltd

Exempt American Portfolio	154.4	158.8	+0.40	0.69
Mngd Pens P'folio	214.6	230.1	+1.20	0.00

Fledgeling Charity Portfolio
25 Copthall Avenue EC2R 7DR 071-638 0808

UK Equity	£1.3040	1.4017	+0.0107	2.78
Bond	£1.1644	1.1713	+0.0018	6.60

Robert Fleming Asset Mngmt Ltd

Am Exempt	£698.44	699.20	+3.33	[illegible]
Gov Exempt	£192.14	196.71	+2.69	[illegible]
Jap Exempt	£858.20	887.71	+44.51	[illegible]
Pacific Exempt	£752.65	794.52	+4.40	0.50
Contl Euro Exempt	£151.08	154.43	+2.40	1.10
Contl Euro Sm Cos Exempt	£123.10	123.80	+3.71	1.40
Latin American Exempt	£144.32	151.73	+3.11	1.40

Foreign & Colonial Unit Management Ltd

Balanced Acc Jan 25	221.8	234.4	+1.4	2.08
Balanced Inc Jan 25	215.7	224.2	+3.2	2.08
Latin American Jan 25	183.8	189.6	+4.2	1.20

Funds in Court*

Capital Jan 20	679.74	684.71	–	2.02
Gross Jan 20	231.43	241.39	–	5.70
High Yield Jan 20	400.46	403.07	–	8.40

* Restricted to monies under Court control

Gavett (John) Unit Mngmt Ltd

Managed Exempt	133.75	138.33	–	3.04

Guinness Flight Exempt Investment Funds

Global Managed	101.17	107.03	–	1.00
International Bond	193.54	204.75	–	8.20
Strategic	164.75	174.29	–	1.80

Henderson Unit Trust Management Ltd

Pensions Mngd	75.42	76.02	+0.18	2.22

INVESCO Asset Management Ltd

Jupiter Merlin Unit Trust Managers Ltd

International Equity	£0.96	10.87	–	–
UK Equity	£16.97	17.30	–	–

Lazard Brothers & Co. Ltd

Property Jan 13	£2285.0	2488.9	–	7.00
Inc Gth Prp Feb 1	£1652.0	1740.0	–	6.00

Lazard Investors Ltd ‡
Exempt Funds

Local Authorities Mutual Invest. Tst.*
2 Fore Street, London EC2Y 5AQ 071-588 1815

Property Dec 30	185.80	196.15	–	8.15
Equity Dec 30	1182.15	1218.55	–	2.43

* Available only to Local Authorities

M & G Securities Ltd

Morgan Grenfell Investment Funds Ltd
Exempt Funds

UK Equity † Jan 25	210.3	216.0	–	2.04
UK Small Co † Jan 25	219.1	249.9	–	2.57
Fixed Interest † Jan 25	132.9	133.8	–	6.60
Intl Bond Jan 5	152.7	154.1	–	7.44

Morgan Stanley International

UK Exempt NAV	£1808.75	–	–	–
Overseas Exempt NAV	£1649.02	–	–	–

Murray Johnstone UT Mngmt

NatWest Investment Management Ltd

Smaller Cos Jan 28	1785.09	1820.08	–	2.80

PDFM Unit Managers Ltd

Rothschild Asset Management

RC Property	144.84	–	–	–

J. Rothschild Fund Managers Ltd.

Intl Exempt Accum	234.0	239.9	+2.60	1.19

Stewart Ivory & Co Ltd

Thornton Unit Managers Ltd

INSURANCES

AXA Equity & Law Life Assce
Amersham Road, High Wycombe 0494 463463

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equities Ser 5	1013.2	1066.5	-2.3	–
Higher Income Ser 5	1091.5	1148.9	-2.8	–
Property Ser 5	524.7	552.3	+0.5	–
Fixed Interest Ser 5	428.8	451.3	-0.3	–
Indian Linkd Secs Ser 5	189.7	199.6	-0.2	–
Gtd Deposit Ser 5	289.0	304.2	+0.3	–
Nth America Ser 5	440.1	463.2	-1.0	–
Far East Ser 5	520.6	548.2	-16.3	–
Europe Ser 5	374.5	394.2	-0.1	–
International Ser 5	578.7	609.1	+2.3	–
Balanced Ser 5	724.7	762.8	-0.8	–
Reserve Ser 5	149.9	157.7	+0.1	–
Opportunity [illegible] 5	166.5	175.2	+0.2	–
Distribution [illegible] 5	110.3	116.1	-1.2	–
Pens Equity [illegible] 3 (z)	1428.9	1501.9	+18.6	–
Pens Higher Inc S 3 (z)	345.8	363.7	+2.8	–
Pens Fixed Int S 3 (z)	577.4	607.7	+1.2	–
Pens Index-Linkd Sec S 3 (z)	246.4	259.3	+0.5	–
Pens Property S 3 (z)	487.8	513.4	–	–
Pens N America S 3 (z)	193.3	203.4	+0.8	–
Pens Far East S 3 (z)	343.7	361.7	+14.1	–
Pens Europe S 3 (z)	210.1	221.1	+3.7	–
Pens Overseas S 3 (z)	819.3	869.8	+24.6	–
Pens Balanced S 3 (z)	838.9	883.0	+11.4	–
Pens Cash S 3 (z)	420.1	442.2	–	–
Pens GAF Series 3(z)	235.1	247.4	–	–
Pens GAF Series 1(z)	466.1	490.6	–	–
Pens Opportunity S 3 (z)	181.4	190.9	+2.8	–
Pens Reserve S 3 (z)	173.4	182.5	+0.1	–

Abbey Life Assurance Co Ltd
80 Holdenhurst Road, Bournemouth 0202 292373

Abbey National Life Plc
287 St Vincent Street, Glasgow 041 308 8000

Acuma Life Assurance Ltd
The Glanty, Egham, Surrey TW20 9AT 0784 478339

AEGON Life Assurance Co (UK) Ltd

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar EN6 1AJ 0707 888008

Allied Dunbar Assurance Plc
Allied Dunbar Ctr, Swindon SN1 1EL 0793 514514

American Life Insurance Co UK
2-8 Altyre Road, Croydon CR9 2LA 081-680 6000

Barclays Life Assur. Co Ltd
252 Romford Road, London E7 081-534 5544

Black Horse Life Assurance
Mountbatten Hse, Chatham, Kent 0634 834000

Britannia Life Assurance
50 Bothwell Street, Glasgow G2 6HR 041-248 2000
Life Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Measured Performance	174.8	184.0	+0.7	–
Performance Plus	176.6	187.0	+1.0	–
With Profit Perform	166.2	175.0	–	–
UK Opportunity	193.2	203.3	+0.1	–
European Opportunity	230.5	242.6	+0.8	–
Nth American Opp	174.1	184.2	+1.5	–
Far Eastern Opp	215.7	228.2	-0.8	–
Overseas	203.7	215.6	+1.2	–
Bank Prp Ser 1 Mar 6	141.5	148.9	–	–
Bank Prp Ser 2	166.6	175.2	–	–
Fixed Interest	198.3	209.8	+0.1	–
Cash	152.5	161.8	–	–

Britannia Life Ltd
50 Bothwell Street, Glasgow G2 6HR 041-248 2000

Equity Pen Acc	71.60	75.90	+0.20	–
Building Soc Pen Acc	45.70	49.10	–	–
American Pen Acc	79.80	84.40	+1.00	–
European Pen Acc	43.90	47.10	+0.20	–
International Pen Acc	61.10	65.70	+0.80	–
Managed Pen Acc	49.40	53.00	+0.20	–

Canada Life Group
High St, Potters Bar, Herts, EN6 5BA 0707 651122
Individual Pension–Distribution

Managed Pen Fund	549.0	577.9	+8.4	–
Property Pen Fund	185.1	194.9	+0.9	–
Index-linked Pen Fd	[illegible]	212.4	-2.7	–

Century Life Plc
5 Old Bailey, London EC4M 7BA 071-332 5000

City of Westminster Assurance Co

Clerical Medical/Fidelity Investments
Narrow Plain, Bristol BS2 0JH

Clerical Medical Investment Group
Narrow Plain, Bristol BS2 0JH

Colonial Mutual Group
Chatham Maritime, Kent ME4 4YY 0634 890000

Combined Life Assurance Co
15 Wheatfield Way, Kingston upon Thames, Surrey KT1 2PA 081-546 7722

Commercial Union Group
St Helen's, 1 Undershaft, London EC3 071-283 7500

Consolidated Life Assurance Co Ltd
Paradise Rd, Richmond, Surrey TW9 1SQ 081-940 8343

Crown Financial Management Ltd
Crown Hse, Woking GU21 1XW 0483 715033

Crown Financial Management Ltd - Contd.
Individual Pension Funds(z)

	Bid Price	Offer Price	+ or -	Yield Gross
American	184.7	182.8	+1.1	–
Building Society	199.0	209.4	+0.1	–
Equity	1079.3	1136.1	+3.7	–
European	308.8	308.3	+0.8	–
Fixed Interest	450.1	473.7	+0.8	–
International	280.3	295.0	+3.6	–
Investment Trust	487.4	513.0	+5.4	–
Japanese	284.8	299.8	+6.2	–
Managed	654.8	689.2	+2.9	–
Money	364.8	383.7	–	–
Property	172.4	181.4	–	–

Eagle Star Life Assurance Co Ltd
Bath Road, Cheltenham GL53 7LQ 0242 221 311

Eagle Star Insur./Midland Assur.
60 St. Mary Axe, London EC3

Equitable Life Assurance Society
Walton St, Aylesbury Bucks HP21 7QW. [redacted] 383100

Eurolife Assurance Company Ltd
Eurolife Hse, 16 St John St, EC1M 4AY 071-454 0105

Family Assurance Friendly Society Ltd
17 West St, Brighton BN1 2RL 0273 724570

Friends Provident
Salisbury, Wilts SP1 3SH. [redacted] 113388

GT Unit Managers Ltd
125 London Wall, London EC2Y 5AS 071-710 4567

General Accident
2 Rougier Street, York YO1 1HR 0904 628982

General Portfolio Life Insce Plc
General Portfolio House, Harlow, Essex 0279 626262

Assicurazioni GENERALI SpA
117 Fenchurch St, London EC3M 5DY 071-488 0733

Growth & Sec. Life Assce. Soc. Ltd
Mill Green Rd, Haywards Hth, W. Sussex 0444 413307

Guardian Royal Exchange
Royal Exchange, EC3 [redacted] 7101

Hearts of Oak Insurance Group
Hearts of Oak House, 9 Princess Rd West, Leicester LE1 6TH 0533 546010

Henderson Administration(z)
3 Finsbury Ave, London, EC2 M2PA 071-638 5757

Hill Samuel Life Assur. Ltd
NLA Tower, Addiscombe Rd, Croydon 081-686 4355

Homeowners Friendly Society Limited
PO Box 94, Springfield Ave, Harrogate. 0423 567355

Ideal Insurance Co Ltd

Irish Life Assurance Co Plc
Victoria St, St. Albans, Herts, AL1 3TF 0727 817800

Lancashire & Yorkshire Friendly Society

Laurentian Life plc
Barnwood, Gloucester GL4 7RZ 0452 371371

Legal & General
2, Montefiore Road, Hove, BN3 1SE 0273 824000

Life Association of Scotland
113 Dundas St, Edinburgh 031-550 5000

Lifetime Assurance Co Ltd
Bank Hse, St John's Rd, Harrow HA1 2EE 081-861 5900

Lincoln National
1 Olympic Way, Wembley HA9 0NB 081-902 8876

London Life
100 Temple St, Bristol BS1 6EA 0272-279179

London & Manchester Assurance (z)
Winslade Pk, Exeter EX5 1DS 0392 282484

M & G Life and M & G Pensions
Victoria Road, Chelmsford, CM1 1FB

MGM Assurance (z)
MGM House, Heene Rd, Worthing 0903 204631

Manchester Unity Assurance
40 Fountain Street, Manchester M2 2AB 061-832 8381

Manulife Group
St George's Way, Stevenage Enquiries: 0438 356101

Merchant Investors Assurance Co Ltd
St Bartholomew's House, Lewins Mead, Bristol BS1 2NH

For policies starting before April 1978 Tel: 0272 290300

For all other fund information Tel: 0881 800100

For contracts where only one price applies see the bid price shown above. * Calls charged at 25p/min cheap rate, 39p/min at all other times, inc VAT.

Mercury Life Assurance Co Ltd
33 King William St, London EC4R 9AS 071-280 2800

Midland Life Limited
Norwich Hse, Commercial Rd, Southampton 0703 723723

Midland Life Limited - Contd.

NM Life Assurance Ltd
Enterprise House, Portsmouth 0705 827733

Prices Life Series 4 Acc, Pension Series C Acc February 1

N & P Life Assurance Ltd
Provincial Hse, Bradford BD1 1NL 0274 737066

NPI
National Provident Hse, Tunbridge Wells 0892 515151

NPI Pensions Management Ltd

Prices January 4 Next dealing February 1

National Mutual Life
The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422

National Westminster Life Assce Ltd
PO Box 886, Trinity Quay, Bristol BS99 5LJ 0272 484801

Norwich Union Life Insurance Soc.
Surrey Street, Norwich NR1 3NG 0603 622200

Prices as at January 31

Norwich Union Pensions Management Ltd
Surrey Street, Norwich, NR1 3NG 0603 683335

Prices as at January 28

Pearl Assurance (Unit Funds) Ltd
Lynch Wood, Peterborough PE2 6FY 0733 470470

Premium Life Assurance Co Ltd
37-39, Perrymount Road, Haywards Heath 0444 458721

Professional Life Assurance Co Ltd (z)
Skandia Hse, Portland Terr, Southampton 0703 232323

For Prolific Life & Pens see Scottish Provident

Prosperity Life Assurance Ltd
1 Seebeck Hse Sq, Maidstone ME14 1XX 0622 680555

Providence Capital Life Assc. Co Ltd
2 Bartley Way, Hook, Hants RG27 9XA

Provident Life Assoc Ltd
Provident Way, Basingstoke RG21 2SZ [redacted] 470707

Provident Mutual Life Assc. Assn.
6 Hills Way, Stevenage Herts SG1 2ST

Prudential Assurance Co
Holborn Bars, London EC1N 2NH 071-405 9222

Prudential Corporate Pension Funds
55 King's Road, Reading RG1 3AH 0734 484852

Prudential Individual Life Funds
55 King's Road, Reading, RG1 3AH 0734 484852

Prudential Individual Pension Funds
55 King's Road, Reading RG1 3AH 0734 484852

Reliance Mutual
Reliance House, Tunbridge Wells, Kent 0892 510033

J Rothschild Assurance PLC
J Rothschild House, Dollar Street, Cirencester
Telephone: 0285 640302 Helpline: 041-307 8600

Royal Heritage Life Assurance Ltd
Peterborough Business Pk, PE2 6GG 0733 390000

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the [illegible] FT [illegible] Help Desk on (071) 873 4378 for more details.

Royal Life Insurance Ltd
New Hall Place, Liverpool L69 3HS 051-236 3000

	Bid Price	Offer Price	+ or -	Yield Gross
Royal Shield Fd	1007.2	1066.5	—	—

Royal Life (Unit Linked Assurance) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Managed Fund	401.8	422.9	+2.7	—
Equity Fund	573.8	603.7	+0.4	—
Property Fund	315.5	332.1	—	—
International Fund	302.9	320.2	+3.4	—
Gilt Fund	383.9	404.1	+1.0	—
Money Fund	216.8	228.0	—	—
United States Fund	259.6	273.2	+1.9	—
Pacific Basin	310.4	326.7	+2.4	—

Royal Life (Unit Linkd. Pension Fds) Ltd

Royal Liver Assurance
Royal Liver Building, Liverpool, L3 1HT. 051-236 1451

S-E-Baskes Life Assurance Co Ltd

Save & Prosper Group

Scottish Amicable
150 St Vincent St, Glasgow

Scottish Equitable plc

Scottish Mutual Assurance plc

Scottish Provident Group

Scottish Widows' Group

Skandia Life Assurance Co Ltd (z)
Skandia Hse, Portland Terr, Southampton 0703 334411

Standard Life Assurance Company
3 George St, Edinburgh EH2 2XZ

Sun Alliance Group

Sun Life Unit Assurance Ltd

Swiss Life (UK) PLC

TSB Life Ltd

Target Life Assurance Co Ltd

Templeton Life Assurance Limited

Tunbridge Wells Equitable

Wesleyan Assurance Society

Windsor Life Assur Co Ltd

Woolwich Life Assurance Co Ltd

Zurich Life Assurance Co Ltd

OFFSHORE INSURANCES

AXA Equity & Law Intl Life Assce Co

Isle of Man Assurance Ltd

Lobrow International Group

Providence Capitol International Ltd
PO Box 121, St. Peter Port Guernsey 0481 726726

Royal Life Intl. Ltd

Scottish Provident Intl Life Ass Ltd

MANAGEMENT SERVICES

Capital Trust Financial Management Ltd

Clerical Medical Investment

Knight Williams & Company Ltd

Tenby Financial Services Ltd

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Fidelity Money Funds

Jupiter Tyndall (Bermuda) Ltd

Newport Investment Management

Orion Fund Limited

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

Royal Bank of Canada Offshore Fd Mgrs Ltd
PO Box 246, St Peter Port, Guernsey 0481 723021

GUERNSEY (REGULATED)(**)

Guernsey Capital Management Limited

Hambros Fund Managers (CI) Ltd

Henderson Admin. (Guernsey)

Investment Portfolio Svs (CI) Ltd

Kleinwort Benson Intl Fd Mngrs Ltd

Lazard Fund Managers (CI) Ltd

IRELAND (SIB RECOGNISED)

GT Asset Management - Contd.

Morgan Grenfell Investment Funds Ltd (x)

Prolific International Fund Plc
53 Fitzwilliam Square, Dublin 2

Scottish Value Management (Ireland) Ltd
12 Lower Leeson Street, Dublin 2

Singer & Friedlander Inv Funds Ltd (x)

Swiss Life Investment Fund - Prolunus (x)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

Unibank Scandinavian Fund Ltd
19-21, Circular Rd. Douglas, IoM 0624 629400

ISLE OF MAN (REGULATED)(**)

ATC Fund Management Ltd

AXA Equity & Law Intl Fund Mgs

Appleton Financial Advisers Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Appleton Capital Trust	102.0	112.0	—	—

City Financial Admin

Duncan Lawrie Inv. Mgt. Ltd

IBI Managers (IoM) Ltd

R & H Fund Managers Ltd

JERSEY (SIB RECOGNISED)

AIB Fund Managers (CI) Ltd
PO Box 468 St Helier Jersey

Barclays International Funds
PO Box 152, St Helier, Jersey CI

JERSEY (REGULATED)(**)

Barclays Intl Funds

Citibank (CI) Ltd "Citifunds"

Citibank N.A.

Fleming Group

FT MANA[redacted]ED FUN[redacted]S SERVICE

● FT Cityline Unit Trust [redacted] are available ov[redacted] the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Foreign & Colonial Mngmt (Jersey) Ltd

Hypo Foreign & Colonial Reserve Asset Fd Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
US$ Cash	$11.192		+0.001	-
Sterling Cash	£13.361		+0.003	-
US$ Bonds	$17.199		-0.054	-
Multicurrency Bonds	$23.016		+0.024	-
Sterling Bonds	£17.842		+0.019	-
D Mark Bonds	DM12.996		+0.001	-
European Bonds	Ecu15.034		-0.008	-
UK Equities	£14.548		-0.032	-
US Equities	$19.161		+0.020	-
Japanese Equities	Y984.0		+28.5	-
Cont Euro Equities	DM21.878		-0.059	-
UK Negative Equities	£10.176		+0.013	-
US Negative Eq				-
Japanese Negative Eq	Y779.3		-36.7	-
Cont Eur Negative Eq				-
UK Geared Equities	£11.579		-0.004	-
US Geared Equities	$11.647		+0.024	-
Japanese Geared Eqs	Y1109.9		+90.8	-
Cont Euro Geared Eqs	DM17.254		-0.113	-
Gold	$11.187		+0.102	-
Protected Capital Plus A	£11.434		-0.003	-
Protected Capital Plus B	£11.375		-0.023	-

Greece Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Jan 27	$24.49		—	-

John Govett Management (Jersey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
S'pore Sectsy Fd NAV Jan 31	$24.1374		—	-
Paragon Fd NAV Dec 31	$10.44		—	-
Pinnacle Redemption	$10.11		—	-
Harrington Inv Co Dec 31	$95.49		—	-
Dollar Gilt Managed Hedge	$11.2141	11.98	—	-
DM Geared Cur NAV Jan 28	$13.53		—	-
DM Geared Bd Jan 28	$7.58		—	-
Govett India Fund	$17.41	12.88	—	-
Int Ind-Protected Inv Pfolio	£10.7089	11.4114	—	-
Sterling Balanced Hedge	£9.9149	10.58	—	-
Swiss Franc Balanced Hedge	SFr10.2387	10.97	—	-
Govett Mgd Hire Jan 20	£13.72	15.00	—	-
Govett Mngd Fires Jan 28	$9.84	10.55	—	-
Taiwan Capital	$9.57	10.16	—	-

INVESCO International Limited

All Funds deal daily except where indicated.

Sterling Denominated Income Funds

	Bid Price	Offer Price	+ or -	Yield Gross
American Equity Inc	£1.9570	2.1010	-0.0050	2.74
Japan Inc & Gwth	£2.0270	2.1760	—	7.72

Sterling Denominated Growth Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Pioneer Markets	£6.3220	6.7990	+0.0790	-
Y Mng Portfolio	£2.1710	2.3470	+0.0420	1.11

US Dollar Denominated Growth Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Cat NAV 1994	$1.5900		—	-

MHS London Agents

	Bid Price	Offer Price	+ or -	Yield Gross
Apollo Fd Jan 26	SF1120.5	129.52	—	-

*Weekly Dealing †Fortnightly Dlng. **Monthly Dlng.

Jupiter Tyndall (Jersey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Gilt Fd	112.3	118.0		7.19
(Accum Shares)	87.0	91.4	+0.1	7.19
Managed Currency Stlg	128	134		-
International	515	540	+3	0.32

Lloyds Bank Trust Co (CI) Mngrs

	Bid Price	Offer Price	+ or -	Yield Gross
Lloydstrust World Inv Port	£3.210	3.414	—	0.77

Dealing Weekly on Thursday

Lombard Odier (Jersey) Ltd

Fixed Income Funds

Odifiles Ltd

Accumulating Classes

Commercial Union Luxembourg SA - Contd.

Reserve Funds

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Dollar Reserve Acc	$-		10.7441	10.8531	—	1.42
Dollar Reserve Dis	$-		9.9115xd	10.016	—	1.42
Yen Reserve Acc	Y-		1051	1062	—	1.86
Yen Reserve Dis	Y-		911xd	1001	—	1.86
D mark Reserve Acc	DM-		12.0850	12.088	—	5.18
D mark Reserve Dis	DM-		9.9359xd	10.070	—	5.18
Stlg Reserve Acc	£-		1.3913	1.4054	—	4.52
Stlg Reserve Dis	£-		0.9936xd	1.0036	—	4.52

Bond Funds

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
D mark Bond Acc	DM-		57.2442	57.824	+0.02	5.18
Peseta Bond Acc	Pta-		319	322	—	8.27
Peseta Bond Dis	Pta-		217xd	219	—	8.27
Sterling Bond Acc	£-		13.7803	13.9198	+0.71	6.19
US $ Bond Acc	$-		152.1891	153.7141	-0.12	3.08
Worldwide Bond Acc	SFr-		76.4524	77.2248	-0.49	5.37

Cresvale Group (u)

11 Rue Aldringen, L-1118 Luxembourg 071-357 6400

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Managed Convertible Uf	$-		2.36		(z)	-
Equity Wrnt (Japan Ls)	$-		1.52		(z)	-
Hedge Fund	$-		21.20		—	-
Hedge Fund US$	$-		19.29		—	-
Hedge (E)	£-		07.21		—	-

DB Investment Management SA

2 Boulevard Konrad Adenauer, Lux 010 352 421011

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Eurorenta	DM-		91.64	92.34	—	-
Dollarenta	$-		57.84	58.58	—	-
DM Reserve	DM-		160.37	161.98	—	-

Den norske Bank

2 boulevard Royal, Lux 010 352 4580 3271

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
DnB Inv Nordic Bds Cap	NKr-		1397.72		(-7.6)	-
DnB Inv Nordic Eq Cap	NKr-		1288.22		+12.6	-

Diss Income Fund

48 Blvd Prince, L 2322, Luxembourg (352) 407330

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
DISA Income	R-		46.34		-0.13	16.46

Dolphin Intl Investments (u) SICAV

14 rue Aldringen, L-1118 Luxembourg 0534 27391

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Conti Capital Builder	$-		1.3820		—	-
Intl Growth & Income	$-		5.7089		—	-
International Bond	$-		5.4800		—	-

Dresdnerbank Asset Mngmt SA (u)

13 Rue Beaumont, L-1219 Luxembourg

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Dit-Lux Bondspezial Inc	DM-		81.60	84.05	—	-
Dit-Lux Bondspezial Gth	DM-		97.04	99.95	—	-

E.T. Investment Management Ltd

13 Rue Goethe, BP 413, Luxembourg 010 352 4048461

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Establishment Trd Jan 31	$-		2.53		+0.04	-

Eagle Star – Glo[redacted] Assets Fund (u)

5 Rue Aldringen L-1[redacted] Luxembourg

Dealing UK 0524 661100 Europe 010 352 471784

Nomura Global Fund (u)

1 St Martin's-le-Grand, EC1A 4NP 071 236 8811

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Asia Pacific P'folio	$-		7.78		(z)	-

PRICOA Worldwide Inv Portfolio Sicav (u)

6 Rue Schiller, L-2519 Lux (352) 4017771

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Pacific Growth Series	$-		16.27		+0.59	-
S-T Glob Inc Series	$-		9.70			-
US Growth Series	$-		15.68		+0.13	-
Utility Series			$10.40		+0.07	-

Regent Global Fund (u) (z)

14 Rue Leon Thyes L-2636 010 352 4204971

Sarasin Investment SICAV (u)

14 Rue Aldringen, L-2961 Luxembourg 010 352 4799 2806

Schroder International Selection Fd (u)

13 rue Goethe L-1637 Luxembourg 010 352 4046491244

Scottish Equitable Intl Fund SICAV (u)

14 rue Aldringen, L-1118, Luxembourg 010 352 4799 2592

Sun Life Global Management Ltd (u)

PO Box 22, Castletown, IoM 0624 824131

Templeton Global Strategic SICAV (u)

30 Grand-Rue L 1660 Luxembourg 010 352 466667-1

Credit Suisse - Contd.

	Bid Price	[redacted]	+ or -	Yield Gross
CS N American B US$	$261.51	268.73	—	-
CS UK A £Stg	£126.71	129.25	—	-
CS UK B £Stg	£129.25	131.86	—	-
CS France A FF	FFr1168.78	1199.11	—	-
CS France B FF	FFr1225.48	1257.87	—	-
CS FFr Bond A	FFr1221.11	1253.27	—	-
CS FFr Bond B	FFr1138.87	1159.27	—	-
CS Italy A	L1756.790	2528.78	—	-
CS Italy B	L2831.45	2889.97	—	-
CS Netherlands A	Dfl431.85	440.50	—	-
CS Netherlands B	Dfl439.88	448.81	—	-
CS Japan Megatrend SFr	SFr352.81	358.08	—	-
CS Japan Megatrend Yen	Y25962	26481	—	-
CS Capital ECU 2000	Ecu1561.44	1593.5	—	-
CS Capital FF 2000	FFr1458.47	1496.48	—	-
CS Portfolio Income DM A	DM1029.91	1059.92	—	-
CS Portfolio Income DM B	DM1058.91	1089.92	—	-
CS Portfolio Income SFR A	SFr1065.40	1085.41	—	-
CS Portfolio Income SFR B	SFr1065.40	1085.41	—	-
CS Portfolio Income US$ A	$1031.57	1031.58	—	-
CS Portfolio Income US$ B	$1031.57	1031.58	—	-
CS Portfolio Balanced DM	DM1124.78	1124.77	—	-
CS Portfolio Balanced SFR	SFr1096.91	1098.32	—	-
CS Portfolio Balanced US$	$1059.45	1058.46	—	-
CS Portfolio Growth DM	DM1130.88	1130.89	—	-
CS Portfolio Growth SFR	1097.28	1097.27	—	-
CS Portfolio Growth US$	$1059.12	1059.13	—	-
CS Deka Protec A	DM257.56	264.77	—	-
CS Deka Protec B	DM279.98	288.37	—	-
CS Swiss Franc Bond A	SFr280.19	281.09	—	-
CS Swiss Franc Bond B	SFr307.98	313.09	—	-

Daiwa Japan Gem Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Daiwa Japan Gem	$9.56	9.71	(z)	-

Daiwa Japan Small Equity Fd (u)

	Bid Price	Offer Price	+ or -	Yield Gross
Daiwa Japan Small Eq	$11.39		(z)	-

Dean Witter World Wide Invest. Tst SA

	Bid Price	Offer Price	+ or -	Yield Gross
NAV	$30.49		—	-

The Dragon Fund Sicav

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Jan 25	$178.93		—	-

Digistan Global SICAV (u)

	Bid Price	Offer Price	+ or -	Yield Gross
Equity Portfolio	$2.040	2.151	+0.007	-
Reserve Portfolio	$2.037	2.153	+0.002	-

Espirito Santo Investment Mgmnt (SICAV)

	Bid Price	Offer Price	+ or -	Yield Gross
Southern European Fd	$7.13		—	-
ECU Bond	Ecu116.34		—	-

Eurecu Management S.A.

	Bid Price	Offer Price	+ or -	Yield Gross
Eurecu Fd NAV Apr 29	Ecu26.82		—	-

Europe Value Fund (u)

	Bid Price	Offer Price	+ or -	Yield Gross
NAV	$13.68		(z)	-

EurOptec (u)

	Bid Price	Offer Price	+ or -	Yield Gross
European Protection	Ecu105.95		—	-
European Bond Protection	Ecu107.59		—	-
American Mortgage	$102.28		—	-

Fidelity Intl Inv Mngt (Luxembourg) SA

	Bid Price	Offer Price	+ or -	Yield Gross
New Europe Fd	$14.18	14.89	+0.10	0.36

Fidelity Investment (CI) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Discovery	$21.62	22.70	+0.20	0.23
Far East	$71.47	83.44	+3.43	0.08
Frontier	$40.38	42.38	+0.02	0.24
Global Industries	$20.68	21.69	+0.42	-
Global Selection	$23.76	24.95	+0.60	-
International	$20.96	22.01	+0.16	0.23

Scudder, Stevens & Clark

Scudder Global Opportunities Funds

Global Equity Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Class A (z)	$18.22		+0.12	-
Class B (z)	$18.22		+0.12	-

US Quality Growth Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Class A (z)	$16.23		+0.11	-
Class B (z)	$16.24		+0.12	-

Emerging Markets Growth Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Class A (z)	$28.65		+0.20	-
Class B (z)	$28.65		+0.20	-

Global Bond Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Class A (z)	$19.85		-0.05	-
Class B (z)	$16.42		-0.05	-

Emerging Markets Income Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Class A (z)	$18.42		+0.04	-
Class B (z)	$17.27		+0.04	-

US Mortgage-Backed Securities Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Class A (z)	$14.96		-0.02	-
Class B (z)	$15.49		-0.01	-

US Short Term Income Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Class A (z)	$15.11		+0.01	-
Class B (z)	$15.30		+0.01	-

Target International Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Intl Growth Fd	$24.94		+0.49	-

Templeton Emerging Asia

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Feb 1	$13.08		—	-

Templeton Worldwide Investments

Growth Portfolio

	Bid Price	Offer Price	+ or -	Yield Gross
Class A-1 $	$14.48		—	-
Class A-2 $	$17.93		—	-
Class A-3 $	$16.29		—	-
Class B-1 $	$14.65		—	-
Class B-2 $	$17.50		—	-

Income Portfolio

	Bid Price	Offer Price	+ or -	Yield Gross
Class A $	$10.68		—	-
Class B $	$10.37		—	-

Transworld Bond Trust

	Bid Price	Offer Price	+ or -	Yield Gross
NAV	$11.78		+0.11	-

US Pacific Stock Fund (u)

	Bid Price	Offer Price	+ or -	Yield Gross
NAV	$22.20		—	-

For Unibank SA Frontrunner I see Frontrunner I

Unico Financial Services SA Lux

DG Bank London Branch

	Bid Price	Offer Price	+ or -	Yield Gross
Unico Invest. Fund	DM72.53	74.89	(z)	3.00
Unico Equity Fund (u)	DM73.71	77.40	(z)	0.00
Unico Umbrella Fd DM-Reserve	DM117.83	108.88	—	1.00
Unico Umbrella Fd DM-Renten	DM108.83	111.40	—	6.00
Unico Umbrella Fd DM-Beteiligung	DM101.53	106.70	—	3.00
Unico Umbrella Fd DM-93/96	DM102.31		—	2.00
Unico Umbrella Fd DM-93/97	DM99.18		—	2.00
Unico Umbrella Fd DM-93/95	DM107.33		—	1.50
Unico Umbrella Fd DM-93/98	DM94.07		—	2.00

Wardley NAPT (Luxembourg) SA

	Bid Price	Offer Price	+ or -	Yield Gross
Nikko Asia Pacific Tst NAV	$18.41		+0.17	-

"WINTERTHUR" Fund Mngmt Co (Lux) SA

	Bid Price	Offer Price	+ or -	Yield Gross
WIN Global Intl Bond	Ecu162.86		(z)	-
WIN Global Intl Equity	Ecu141.80		(z)	-
WIN Global Intl Reserve	SFr218.63		(z)	-

World Bond Fund–SICAV (z)

	Bid Price	Offer Price	+ or -	Yield Gross
World Bond Fund	$30.40	31.92	+0.10	0.60

Inv Adv Warburg Asset Mngt London

World Trust Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Shares NAV	$15.45		—	-

Yamaichi Advanced Technology Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Advanced Tech	$21.67		—	-

Yamaichi 1992 OMBB Fund SICAV (u)

	Bid Price	Offer Price	+ or -	Yield Gross
NAV	$11.53	11.99	—	-

SWITZERLAND (SIB RECOGNISED)

B.I.A. Bond Investments AG

8 Bameerstrasse CH6301 Zug, Switzerland 217180

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Bonar St. Series A	SFr-		4250	4280	—	-
Bonar St. Series B	SFr-		426	476	—	-

OTHER OFFSHORE FUNDS

ATSP Management Ltd

Philippines Long Term Equity Fund

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Nov 30	$30.84		—	-

Abtrust Fund Mngrs (Guernsey) Ltd

The New Asia Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV US$ (divided) Jan 28	$12.71		—	-
NAV US$ (undivided) Jan 28	$13.25		—	-

Adig Investment

	Bid Price	Offer Price	+ or -	Yield Gross
Adirenta	DM23.28	23.98	+0.01	-
Adiverba	DM174.35	182.97	+0.98	-
Fondak	DM75.83	79.62	+0.19	-
Fondis	DM72.40	76.02	+1.06	-

Astra Malaysian Growth Fd (Cayman) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Jan 31	$14.6771		—	-

Alliance Capital

Credit Lyonnais Rouse (Bermuda) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Systemtrend Ltd	$23.664		—	-

Credit Suisse

	Bid Price	Offer Price	+ or -	Yield Gross
CS Gold Valor	$159.78	162.89	—	-
CS Tiger	$1743.42	1783.73	—	-
CS Euroreal	DM101.34	106.58	—	-

Crogem International Bank

	Bid Price	Offer Price	+ or -	Yield Gross
Crogem Leveraged	Ecu140.00		—	-
Crogem Forex	$180.40		—	-

Crystal Corporation N.V.

	Bid Price	Offer Price	+ or -	Yield Gross
Shs Class A/B Jan 14	$92.22	94.87	—	-

For Custom House see Cyprus Inv Mgt

DWS Deutsche Ges. F. Wertpapiersp

	Bid Price	Offer Price	+ or -	Yield Gross
Inrenta	DM88.75	90.57	—	-
Provesta	DM153.60	139.29	—	-
Intrenta	DM70.78	72.55	—	-
Inter-Renta	DM38.98	38.98	—	-

Daehan Investment Trust Co Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Korea Trust NAV Jan 22	$81.54		—	-
Seoul Trust NAV Jan 25	$34.80		—	-
Eastern Korea Fund NAV Jan 25	$10.07		—	-
Daehan Asia Fund NAV Jan 25	$13.85		—	-

Daiwa APT Japan Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Daiwa APT Japan	$7.7953	7.9280	—	-

Daiwa Intl Capital Management (H.K.) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Indonesian Equity NAV	$8.88		—	-
Malaysia Equity NAV	$22.66		—	-
Dicam Asian Gth Jan 27	$15258.01		—	-
Dicam Asian Gth Jan 27	$10684.41		—	-

Daiwa International Capital Mngt (Sgp) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
DICAM Malaysian Eq Feb 2	$9730.72		-9.44	-

Daiwa Japan[redacted] Equity Warrant Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Jap Eqty Wnt J[redacted]	$277.15	327.86	—	-

Delta Lloyd Bank Fund Management

	Bid Price	Offer Price	+ or -	Yield Gross
Jade Fonds	DM246.00		+1.10	0.00

Deutscher Investment-Trust

	Bid Price	Offer Price	+ or -	Yield Gross
Concentra	DM52.57	55.20	—	-
Int. Rentenfonds	DM76.21	78.60	—	-

Dubin & Swieca Asset Management

	Bid Price	Offer Price	+ or -	Yield Gross
Highbridge Capital Corp	$12272.99		—	-
Overlook Performance	$2337.52		—	-

EGS Overseas Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Jan 31	$1800.00	1800.00	—	-

Eagle G-7 Mexico Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 30	$1.05		—	-

East Asia Hamon Asset Mngt Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Selected Asian P'folio	$30.20	30.21	—	-

Emerging Markets Management

	Bid Price	Offer Price	+ or -	Yield Gross
Emer Mkts Sarat Dec 31	$427.05		+45.62	-
Asian Emer Mkts Dec 31	$17.18			-
Latin Am Em Mkts Dec 31	$38.08		+4.09	-

Enhanced Treasury Returns Corporation

	Bid Price	Offer Price	+ or -	Yield Gross
NAV	$1.12543		—	-

The Environmental Investment Co Ltd

Ecofin Fund Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Jan 25	$11.04		—	-

International Fund Administration Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Paragon Offshore Dec 31	$108.65		—	-
Pacific Rim Opp Fd Bd Dec 31	$105.16		—	-

The Jaguar Fund N.V.

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Jan 27	$817.96		—	-

Jardine Fleming Inv Mngt Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
JF Hedging Jap NAV Jan 31	$2.2885		—	-
JF Japan OTC NAV Jan 31	$14.83		—	-
JF Pac Wrt NAV Jan 28	$8.83		+0.34	-
JF Asia Select NAV Jan 31	$1.74		—	-
JF Philippine NAV Jan 31	$19.10		—	-
JF Indonesia NAV Jan 31	$2.20		—	-

Jardine Fleming Unit Trusts Ltd

Asia Pacific

	Bid Price	Offer Price	+ or -	Yield Gross
JF Asean Trust(z)	$63.78	67.40	-0.58	-
JF Australia Tst	$7.62	8.07	+0.05	-
JF China Trust	$19.84	20.89	+0.14	-
JF Eastern Tst(z)	$108.07	114.94	+0.97	-
JF Eastern Smaller Cos	$40.04	42.35	-0.11	-
JF Far Eastern Wnts Tst.	$41.86	46.44	+0.30	-
JF HK Tst(z)	$26.34	27.78	+0.80	-
JF India	$44.13	46.70	-0.26	-
JF Japan Trust(z)	Y12984	13708	+108	-
JF Japan OTC Tst	Y1634	1730	+29	-
JF Japan Small Co	Y49420	52284	+697	-
JF Japan Tech Tst	Y33260	35188	+49	-
JF Japan Warrant	$9.94	10.63	+0.10	-
JF Korea Trust	$15.70	16.62	+0.23	-
JF Malaysia Tst	$27.30	28.86	+0.09	-
JF New Zealand Tst	$18.62	19.71	+0.19	-
JF Ninja	Y6471	6846	-75	-
JF Japan Ninja Leveraged	Y1508	1697	-9	-
JF Romulo Asia Tst	$33.15		—	-
JF Pacific Inc Tst(z)	$14.63	15.49	+0.05	-
JF Pacific Secs Tst(z)	$82.87	87.47	-0.36	-
JF Pacific Smlr Cos Tst	$14.58	15.44	+0.03	-
JF Philippine Tst	$102.82	108.57	-3.07	-
JF Taiwan			+9.99	-
JF Thailand Tst	$38.35	40.58	-0.28	-

International

	Bid Price	Offer Price	+ or -	Yield Gross
JF American Growth Tst	$17.00	17.99	+0.04	-
JF Continental EuroTst	$3.74	3.97	+0.05	-
JF Global Bond Fd	$22.67	23.99	+0.03	6.6
JF European Tst(z)	$15.44	16.35	+0.16	-
JF Germany Tst	DM10.40	11.01	+0.13	-
JF Global Conv Tst	$16.75	17.73	+0.09	-
JF Global Securities (z)	$24.33	25.75	+0.22	-
JF Managed Currency	$12.15	12.86	+0.05	-
JF Money Fd US$	$1.00		—	2.98
JF Money Fd Yen	Y100		—	1.77
JF Money Fd DM	DM1.00		—	5.67
JF Money Fd £	£1.00		—	4.93
JF Money Fd SFr	SFr1.00		—	3.74
JF Money Fd Ecu	Ecu1.00		—	6.17
JF Money Fd C$	C$1.00		—	3.80
JF Money Fd A$	A$1.00		—	4.28
JF Money Fd HK$	HK$1.00		—	3.18

Daily Dealing EXCEPT Marked with *

Johnson Fry Securities Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
US Medium Chest Futures Fd	£101.44		—	-
US Medium Capital Growth Fd	$0.864		—	-

Jupiter Tyndall (Bermuda) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Mortgage (z)	C$21.15	22.22	+0.08	8.70

Kestrel

Putnam Embassy Funds Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
US Government A	$9.89		-0.01	-
US Government B	$9.95		-0.01	-
Global Government A	$10.31		+0.03	-
Global Government B	$10.28		+0.04	-
Diversified Income A	$10.38		+0.02	-
Diversified Income B	$10.35		+0.02	-

Putnam International Advisers Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Emrg Hlth Sci	$43.77		+0.09	-
Emrg. Info. Sci	$40.56		+1.02	-
High Inc GNMA (z)	$9.11		(z)	-
International Fund	$15.72			-
Global Nt Gth Fnd	$18.66		+0.32	-
Global Govt. Inc. Tst	$16.41		—	-

Quantum Group

	Bid Price	Offer Price	+ or -	Yield Gross
Quantum Fund	$29497	30371	+282	-
Emerging Growth Fd	$399.53	411.91	+3.69	-
Quasar Intl Fd	$256.96	265.40	+2.43	-
Quota Fund	$276.65	285.60	+8.63	-
Realty Trust	$153.00	158.00	+1.0	-
UK Realty Fund	£127.00	123.00	+1.0	-

Real Estate Strategies Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
IRES International	C$-	1173.05	—	-

Regent Fund Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Undervalued Assets Ser 1	$11.38		—	-
Leveraged Futures	$84.88		—	-
New Korea Growth	$13.38		—	-
Pacific Arbitrage Co Ltd	$9.95		—	-
Pacific Arbitrage Co Ltd	Y981.0		—	-
Pacific Hedge Dec 31	$105.3841		—	-
R.L. Country Warrant	$250.05		—	-
Sri Lanka	$11.51		—	-

Republic New York Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Global Currency Jan 7	$1063.82		—	-
Global Currency II Jan 7	$988.84		—	-
Global Fixed Inc Jan 7	$1049.05		—	-

Rosenwald, Roditi & Co Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Asia Securities Invest NAV	$1130.71		—	-
Korea Pan-Life Invest NAV	$168.42		—	-

Rothschild Asset Management (CI)

	Bid Price	Offer Price	+ or -	Yield Gross
Tokyo Pac (Sealord)	$185.40		—	-

Royal Bank of Canada Intl Money Market Fd

Money Market Plus

	Bid Price	Offer Price	+ or -	Yield Gross
[redacted] Class	$1.0677		—	2.90
[redacted] Class	$1.0087		—	2.87
[redacted] Class	C$1.0946		—	3.75
[redacted] Class	C$1.0216		—	3.85
[redacted] Class	£1.1334		—	5.24
[redacted] Class	£1.0338		—	5.18
[redacted] Class	SFr1.0895		—	3.19
[redacted] Class	SFr1.0071		—	3.17
[redacted] Class	DM1.1070		—	5.17
[redacted] Class	DM1.0176		—	5.17
[redacted] Class	Y1.0254		—	1.76
[redacted] Class	Y1.0105		—	1.76

[redacted]tures Fund

	Bid Price	Offer Price	+ or -	Yield Gross
[redacted] A Shs	$26.86		—	-
London Currency	£66.79		—	-

Safra Republic Holding

	Bid Price	Offer Price	+ or -	Yield Gross
Republic Emerg Dollar Income	$10.80		—	-
Republic Emerg Europe Income	DM10.67		—	-
Republic Latin Am Allocated	$107.70		—	-
Republic Latin Am Argentina	$107.55		—	-
Republic Latin Am Brazil	$112.99		—	-

LUXEMBOURG (SIB RECOGNISED)

Abtrust Fund Mngrs Luxembourg SA (u)

13 rue Goethe L-1637 Luxembourg 010 352 4048461

BAII Intermarket Fund

2 Boulevard Royal, Luxembourg 010 352 4590 2302

[redacted] Von Ernst & Cie AG

Banque Scandinave a Luxembourg SA

16 Boulevard Royal, L-2449, Luxembourg

Barclays Diversified Portfolio

Barclays Inv Funds (Luxembourg) SA

CMI Asset Management (Luxembourg) SA

Comgest SA

Commercial Union Luxembourg SA

LUXEMBOURG (REGULATED)(**)

MANAGED FUNDS NOTES

CURRENCIES AND MONEY

MARKETS REPORT

Dollar under pressure

The dollar traded lower yesterday following Monday's testimony [illegible] Mr Alan Greenspan, chairman of the US Fed[illegible]l R[illegible], indicating that no tightening of monetary policy was imminent, *writes Philip Gawith.*

This represented a continuation of the fairly bearish sentiment seen towards the dollar in recent days. The currency has also come under pressure against the yen which strengthened in anticipatio[illegible] [illegible] Japanese government announcing a large fiscal boost to the economy later this week.

With most of the important data bunched [illegible] the end of the week, analysts [illegible] [illegible] of the main currencies had [illegible] [illegible] trading.

■ [illegible] dollar closed in London at DM1.727, down from DM1.7444 on Monday. It also finished lower against the [illegible] closing at Y107.640 from Y109.005, and was weaker against sterling. Commenting on [illegible] [illegible] weakness, Mr [illegible] Barrow, economist [illegible] Chemical Bank, said: "The market [illegible] discounted [illegible] strong growth story. That is unlikely to give any further momentum [illegible] the dollar." Although Mr Greenspan's com[illegible] were seen as giving dollar [illegible] [illegible] to [illegible] [illegible] [illegible] little support [illegible] [illegible] stre[illegible]h [illegible] much lo[illegible]. This view [illegible] [illegible] in [illegible] [illegible] where [illegible] chairman's speech [illegible] [illegible] by some as preparing Congress for a tightening of policy.

Mr Avinash Persaud, head of currency research at JP Morgan, [illegible] [illegible] market's initial [illegible] [illegible] been on Mr Greenspan's [illegible] about [illegible] favourable inflation outlook. He predicted, however, that the [illegible] durable [illegible] would be that which suggested policy was currently too accommodating.

The market appeared to take [illegible] resignation of Mr David Mullins, vice-chairman [illegible] the [illegible] Reserve, in [illegible] stride. "His departure seems to be a political move and not a consequence of any policy rift within the Fed governors or [illegible] (policy-making) [illegible] Open [illegible] Committee," [illegible] Mr [illegible]. Mr Mullins, who was appointed [illegible] President Bush, was regard[illegible] as a hawk within [illegible] Fed and his replacement by [illegible] [illegible] appointee could have [illegible] seen as heralding a [illegible] monetary policy.

The [illegible] strength of the yen [illegible] market optimism [illegible] [illegible] Y11-Y15trillion fiscal package, expected [illegible] be [illegible] later this week, will be [illegible] [illegible] the Japanese [illegible]. But Mr Chris Turner, cur[illegible] strategist [illegible] BZW, [illegible] [illegible] in the [illegible] [illegible] it will be the behaviour of Jap[illegible]se [illegible] rath[illegible] than foreigners, which will deter[illegible] [illegible] value of the yen. [illegible] [illegible] low [illegible] yields will probably [illegible] [illegible] large [illegible] of capital, [illegible] weakening [illegible] currency.

■ One possible casualty of yen strength has [illegible] the Canadian dollar [illegible] [illegible] [illegible]terday at C$1.3315 [illegible] [illegible] [illegible] dollar compared to C$1.3263 on Monday. [illegible] analysts attribute part [illegible] [illegible] currency's recent weakness to seasonal capital repatriation by Japanese investors who, inter alia, have large holdings in [illegible]. Another factor [illegible] that short [illegible] have, unprecedentedly, fallen close to US levels. Mr Turner [illegible] [illegible] 3 [illegible] rates have fallen to 3.6 per cent from almost 8 per cent at [illegible] end of 1992. The [illegible] [illegible] US short rates [illegible] fallen [illegible] 30-40 [illegible] points from [illegible] basis points [illegible] year ago.

Although the Canadian dollar is regarded as cheap at current levels, there is nervousness about buying the currency until rates have stabi[illegible]. With little inflationary pressure now, or likely in the near future, there remains further scope to cut rates.

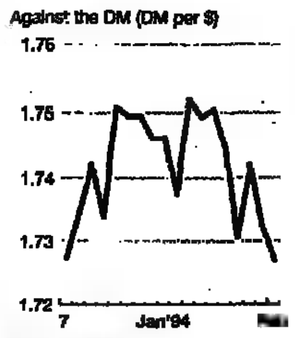
■ Sterling fell against the D-Mark, closing in London at DM2.6028 compared to Monday's [illegible] [illegible] DM2.6145. The weakening [illegible] [illegible] slight shift in sentiment [illegible] from [illegible] Bundesbank council cutting [illegible] [illegible] [illegible] meeting. Today the market will be watching the monthly monetary policy meeting between Chancellor [illegible] [illegible] Exchequer Kenneth Clarke and Mr Eddie George, governor of the Bank of England, [illegible] any clues about [illegible] movements. Sterling [illegible] almost [illegible] cent higher against [illegible] [illegible] dollar [illegible] $1.5071.

■ The market remains unsure [illegible] [illegible] expect from the Bund[illegible]. The D-Mark's [illegible] stabilisation against [illegible] dollar will have [illegible] the [illegible] bank's [illegible] [illegible] cutting rates against the backdrop of [illegible] weak [illegible]. Many analysts, how[illegible], argued that the anticipated [illegible] [illegible] supply [illegible]ures for [illegible] would cause [illegible] Bundesbank [illegible] [illegible] off, [illegible] though [illegible] Bank has made it clear that these will be t[illegible]ed [illegible] [illegible]. Others [illegible] that [illegible] [illegible] [illegible] for a weaker D-Mark would be further delays in easing rates. Mr Mark Geddes, treasury [illegible] [illegible] Midlands Global Markets, [illegible]: "If [illegible] market perceives [illegible] the [illegible] [illegible] deliberately postponing an easing monetary policy in [illegible] to support the D-Mark, recent history tends to show that this generally leads [illegible] further currency weakness."

■ The [illegible] [illegible] England pro[illegible] the UK money market with [illegible] further £200m assistance yesterday afternoon, bringing total help for the day [illegible] £1bn. [illegible] compared with [illegible] [illegible] of a £1bn liquidity shortage, [illegible] upwards from an earlier £950 estimate.

Dollar

Against the DM (DM per $)



Source: FT Graphite

■ [illegible] in New York

Feb 1	—Latest—	— Prev. [illegible] —
£ spot	[illegible]	[illegible]
1 mth	[illegible]	[illegible]
3 mth	[illegible]	[illegible]
1 yr	[illegible]	[illegible]

POUND [illegible] FORWARD AGAINST THE POUND

Feb 1		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe													
Austria	[illegible]	18.2687	-0.0325	786 - 865	[illegible]	[illegible]	[illegible]	-0.2	18.3019	[illegible]	-	-	113.1
Belgium	(BFr)	53.7056	-0.0544	802 - 309	53.8205	53.5534	53.7606	[illegible]	[illegible]	-1.2	54.2206	-1.0	113.8
Denmark	(DKr)	10.1095	-0.0385	046 - 143	[illegible]	[illegible]	10.12	-1.2	10.131	-0.9	10.1322	-0.2	114.4
Finland	(FM)	8.2781	-0.0381	676 - 883	8.3892	8.2978	-	-	-	-	-	-	82.4
[illegible]	(FFr)	8.8408	[illegible]	362 - 454	[illegible]	8.8362	8.8463	-1.0	[illegible]	[illegible]	8.8913	[illegible]	107.7
Germany	(DM)	2.6028	-0.0117	011 - 044	[illegible]	2.6009	2.6044	-0.7	2.6062	-0.5	2.6062	[illegible]	121.8
Greece	(Dr)	[illegible]	-1.475	[illegible]	375.656	373.637	-	-	-	-	-	-	-
Ireland	[illegible]	1.0419	-	410 - 428	1.0433	1.0389	1.0426	-0.7	1.0436	-0.6	1.0466	[illegible]	103.9
[illegible]	(L)	2537.94	-8.12	836 - [illegible]	2545.50	2536.36	2544.14	[illegible]	2557.09	[illegible]	2604.54	-2.6	76.0
Luxembourg	(LFr)	53.7056	[illegible]	802 - 309	53.8205	53.5534	[illegible]	-1.2	[illegible]	-1.2	[illegible]	-1.0	113.8
Netherlands	(Fl)	2.9158	[illegible]	141 - 174	2.9309	2.9141	[illegible]	0.0	[illegible]	-0.1	[illegible]	0.4	117.7
Norway	(NKr)	11.1945	[illegible]	892 - 997	11.2504	11.1782	11.1902	0.5	[illegible]	0.3	11.1918	0.0	84.5
Portugal	(Es)	261.784	-0.815	546 - 021	262.846	260.866	263.059	-5.8	265.209	-5.2	-	-	-
Spain	(Pta)	210.768	-0.233	623 - 913	211.150	[illegible]	[illegible]	-3.4	212.518	-3.3	[illegible]	-2.8	85.3
Sweden	(SKr)	11.8699	-0.0176	484 - 713	11.8847	[illegible]	[illegible]	-2.4	11.9144	-1.6	[illegible]	-1.5	77.5
Switzerland	[illegible]	2.1785	-0.0196	770 - 800	2.1944	[illegible]	2.1767	1.0	2.1719	[illegible]	[illegible]	1.4	118.2
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	82.3
[illegible]	-	1.3385	[illegible]	367 - 403	[illegible]	1.3367	[illegible]	-1.2	1.3428	-1.0	[illegible]	[illegible]	-
[illegible]	-	0.927614	-	-	-	-	-	-	-	-	-	-	-
Americas													
[illegible]	[illegible]	[illegible]	+0.0077	068 - 070	[illegible]	[illegible]	-	-	-	-	-	-	-
[illegible]	[illegible]	704.355	[illegible]	117 - 592	705.000	689.000	-	-	-	-	-	-	-
[illegible]	(C$)	2.0067	[illegible]	056 - 077	[illegible]	[illegible]	2.0039	[illegible]	[illegible]	1.7	[illegible]	1.2	[illegible]
Mexico	(New Peso)	4.6796	+0.0257	765 - 826	4.6926	4.6652	-	-	-	-	-	-	-
USA	($)	1.5071	+0.0082	066 - 076	1.5080	1.5020	[illegible]	2.1	1.4995	2.0	1.4865	1.4	66.6
Pacific/Middle East/Africa													
Australia	[illegible]	[illegible]	-0.0047	071 - [illegible]	[illegible]	2.1018	2.1071	[illegible]	[illegible]	[illegible]	2.1028	[illegible]	-
Hong Kong	[illegible]	[illegible]	[illegible]	347 - 439	[illegible]	11.6007	11.6176	[illegible]	[illegible]	[illegible]	11.4832	[illegible]	-
India	(Rs)	[illegible]	[illegible]	507 - 896	[illegible]	[illegible]	-	-	-	-	-	-	-
Japan	[illegible]	162.224	-1.159	110 - 338	[illegible]	162.110	161.834	2.9	160.924	3.2	157.389	3.0	182.0
Malaysia	[illegible]	4.1754	+0.0314	726 - 783	4.1824	4.1620	-	-	-	-	-	-	-
[illegible]	[illegible]	[illegible]	[illegible]	307 - 357	2.6467	2.6267	2.6361	-1.3	2.6404	-1.1	2.649	-0.6	-
Philippines	(Peso)	[illegible]	[illegible]	562 - 867	41.9867	41.2060	-	-	-	-	-	-	-
Saudi Arabia	[illegible]	5.6517	[illegible]	[illegible]	5.6562	5.6330	-	-	-	-	-	-	-
Singapore	[illegible]	2.3860	-	[illegible]	2.3995	2.3865	-	-	-	-	-	-	-
[illegible]	(R)	5.1419	[illegible]	390 - 447	5.1579	5.1307	-	-	-	-	-	-	-
[illegible] (Fin.)	(R)	[illegible]	+0.0252	441 - [illegible]	6.6876	6.6311	-	-	-	-	-	-	-
South Korea	(Won)	[illegible]	+6.36	703 - [illegible]	1218.16	1213.47	-	-	-	-	-	-	-
Taiwan	(T$)	[illegible]	[illegible]	441 - 212	39.9212	39.6700	-	-	-	-	-	-	-
Thailand	[illegible]	[illegible]	+0.1572	[illegible]	38.3480	38.1810	-	-	-	-	-	-	-

†SDR rate for Jan 31. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100.Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Feb 1		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	J.P Morgan index
Europe													
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-2.5	12.2	-2.1	[illegible]	-1.4	[illegible]
Belgium	(BFr)	[illegible]	[illegible]	300 - 400	35.7500	35.6250	[illegible]	-3.4	[illegible]	-3.3	[illegible]	-2.3	103.4
Denmark	(DKr)	[illegible]	[illegible]	069 - 089	6.7355	6.7047	[illegible]	-3.4	[illegible]	-3.0	[illegible]	-1.8	103.4
Finland	[illegible]	[illegible]	[illegible]	877 - 977	[illegible]	5.4877	[illegible]	[illegible]	[illegible]	-1.6	[illegible]	-1.2	76.7
[illegible]	(FFr)	[illegible]	[illegible]	650 - 672	[illegible]	[illegible]	5.8813	[illegible]	[illegible]	-3.0	[illegible]	-1.9	104.0
[illegible]	(D)	1.7270	[illegible]	[illegible]	[illegible]	1.7265	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-1.5	[illegible]
Greece	(Dr)	[illegible]	-2.35	000 - 300	249.620	248.000	251.65	-18.9	258.65	-16.9	289.65	-16.7	71.4
Ireland	(I£)	[illegible]	[illegible]	457 - 472	[illegible]	1.4424	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-
Italy	(L)	[illegible]	[illegible]	[illegible] - 446	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	(LFr)	[illegible]	[illegible]	300 - 400	[illegible]	35.6250	[illegible]	-3.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Netherlands	(Fl)	1.9347	-0.0193	342 - 351	1.9482	1.9342	1.9382	-2.1	1.9443	-2.0	1.9554	-1.1	[illegible]
Norway	(NKr)	7.4278	-0.0635	268 - 288	7.4833	7.4255	7.4393	-1.9	7.4625	-1.9	7.5228	-1.3	[illegible]
[illegible]	(Es)	[illegible]	-1.5	600 - 800	[illegible]	[illegible]	[illegible]	-7.0	176.79	-7.1	[illegible]	-6.1	[illegible]
Spain	(Pta)	[illegible]	[illegible]	600 - [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	60.9
Sweden	[illegible]	[illegible]	[illegible]	643 - 743	[illegible]	[illegible]	[illegible]	-4.3	[illegible]	-4.1	[illegible]	-3.0	[illegible]
Switzerland	(SFr)	[illegible]	-0.021	450 - 460	[illegible]	[illegible]	[illegible]	-1.0	[illegible]	-0.9	[illegible]	-0.1	104.3
UK	(£)	1.5071	+0.0082	066 - 076	[illegible]	[illegible]	1.5046	2.1	1.4995	[illegible]	1.4865	1.4	81.6
Ecu	-	1.1251	+0.0105	248 - 254	[illegible]	[illegible]	1.1221	3.3	1.1166	[illegible]	1.1057	1.9	-
SDR	-	1.38067	-	-	-	-	-	-	-	-	-	-	-
Americas													
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-
[illegible]	[illegible]	[illegible]	[illegible]	355 - 360	[illegible]	467.355	-	-	-	-	-	-	-
[illegible]	(C$)	[illegible]	[illegible]	312 - 317	[illegible]	1.3277	1.3321	-0.5	1.3351	-0.5	1.3347	-0.2	87.6
[illegible]	(New Peso)	[illegible]	-	[illegible]	[illegible]	3.1040	[illegible]	-0.6	[illegible]	-0.6	[illegible]	[illegible]	-
USA	[illegible]	-	-	-	-	-	-	-	-	-	-	-	[illegible]
Pacific/Middle East/Africa													
Australia	(A$)	[illegible]	[illegible]	986 - 996	1.4112	[illegible]	[illegible]	[illegible]	1.408	-1.1	1.4105	[illegible]	66.3
Hong Kong	(HK$)	7.7230	-0.0005	225 - 235	7.7235	7.7225	7.7245	-0.2	7.727	-0.2	7.736	-0.2	-
India	[illegible]	31.3650	-0.0013	625 - 675	31.3675	31.3625	31.49	-2.5	31.585	-2.6	-	-	-
Japan	(Y)	[illegible]	-1.365	000 - 600	108.520	107.600	107.575	0.7	107.305	1.1	105.89	1.8	142.4
Malaysia	(M$)	[illegible]	+0.0057	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.1	[illegible]	[illegible]	-
New [illegible]	(NZ$)	[illegible]	[illegible]	461 - 483	1.7575	1.7481	[illegible]	-1.1	1.7563	-1.4	[illegible]	-1.2	-
Philippines	(Peso)	27.6500	[illegible]	500 - 800	27.9000	27.4500	-	-	-	-	-	-	-
Saudi Arabia	[illegible]	3.7500	-0.0004	495 - 505	3.7505	3.7495	3.7524	-0.8	3.7566	-0.7	3.7755	-0.7	-
Singapore	[illegible]	1.5845	-0.0057	840 - 850	1.5920	1.5840	1.5834	0.9	1.5812	0.8	1.5935	-0.6	-
S Africa (Com.)	(R)	3.4118	[illegible]	110 - 125	3.4180	3.4110	3.4285	[illegible]	[illegible]	-5.4	[illegible]	[illegible]	-
S Africa (Fin.)	(R)	4.4150	-0.0075	100 - 200	[illegible]	4.4075	[illegible]	-8.4	4.505	-8.2	-	-	-
South Korea	(Won)	807.850	-0.2	800 - 900	[illegible]	[illegible]	810.85	-4.5	814.35	-3.2	832.85	-3.1	-
Taiwan	(T$)	[illegible]	[illegible]	800 - [illegible]	26.4800	26.3800	26.5325	-4.7	[illegible]	[illegible]	-	-	-
Thailand	(Bt)	25.4150	-0.035	000 - 300	25.4300	25.4000	25.485	-3.3	25.625	-3.3	25.765	-1.4	-

†SDR rate for Jan 31. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in [illegible] currency. Morgan Guaranty Changes shown for Jan 31. Base average 1990=100

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Feb.1		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	18.82	[illegible]	[illegible]	1.940	4725	5.429	[illegible]	[illegible]	392.5	[illegible]	[illegible]	1.862	3.737	2.806	302.0	2.493
Denmark	(DKr)	53.13	10	[illegible]	2.575	[illegible]	[illegible]	2.884	11.07	[illegible]	208.5	[illegible]	2.154	0.989	[illegible]	1.491	[illegible]	1.324
France	(FFr)	60.75	[illegible]	[illegible]	2.944	1.179	[illegible]	3.298	12.66	298.1	238.4	13.41	[illegible]	[illegible]	[illegible]	[illegible]	183.8	1.515
Germany	[illegible]	20.63	3.884	[illegible]	1	0.400	[illegible]	[illegible]	[illegible]	100.5	80.96	4.553	0.837	0.384	0.771	[illegible]	62.31	0.514
Ireland	[illegible]	51.55	[illegible]	8.465	2.498	1	[illegible]	2.798	10.74	251.2	[illegible]	11.38	2.090	0.960	[illegible]	1.446	156.7	[illegible]
Italy	(L)	2.116	[illegible]	0.348	0.103	0.041	[illegible]	[illegible]	0.441	[illegible]	8.306	0.467	[illegible]	[illegible]	[illegible]	[illegible]	6.391	0.053
Netherlands	(Fl)	[illegible]	[illegible]	3.032	0.893	0.357	870.4	1	[illegible]	89.75	72.39	[illegible]	0.747	[illegible]	0.686	0.517	55.62	0.459
Norway	[illegible]	46.00	[illegible]	7.901	[illegible]	[illegible]	2268	2.608	10	[illegible]	186.4	10.60	[illegible]	0.894	1.794	[illegible]	145.0	1.197
Portugal	[illegible]	20.52	3.862	3.377	[illegible]	[illegible]	[illegible]	1.114	4.274	100.	[illegible]	[illegible]	0.832	0.382	[illegible]	0.576	61.96	0.511
Spain	(Pta)	[illegible]	4.796	4.194	[illegible]	0.494	[illegible]	1.383	5.308	124.2	[illegible]	[illegible]	1.033	0.47[illegible]	0.952	0.715	76.94	0.636
Sweden	(SKr)	45.29	[illegible]	7.454	[illegible]	0.579	[illegible]	2.459	9.435	220.7	177.7	[illegible]	[illegible]	[illegible]	[illegible]	1.271	[illegible]	1.129
Switzerland	(SFr)	24.66	4.642	[illegible]	[illegible]	0.478	[illegible]	1.339	5.138	120.2	[illegible]	5.448	1	[illegible]	0.921	0.692	74.47	[illegible]
UK	(£)	53.71	10.11	8.841	[illegible]	1.042	2536	[illegible]	11.19	261.8	210.8	11.86	2.178	1	[illegible]	[illegible]	[illegible]	[illegible]
Canada	(C$)	26.75	5.037	4.405	1.297	0.519	1265	[illegible]	5.575	130.4	105.0	5.909	1.085	0.498	1	0.751	80.82	[illegible]
US	($)	35.64	6.709	5.867	1.727	0.691	1684	[illegible]	7.435	173.7	139.9	7.870	1.445	0.664	1.332	1	107.6	[illegible]
Japan	(Y)	[illegible]	[illegible]	54.61	[illegible]	[illegible]	15647	[illegible]	68.99	[illegible]	1300	73.12	13.43	[illegible]	12.37	[illegible]	[illegible]	8.255
Ecu		40.11	7.560	6.603	1.944	0.[illegible]	1895	2.178	8.387	195.5	157.4	8.857	1.627	[illegible]	1.499	1.125	121.1	1

Yen per 1,000: Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per [illegible]; Belgian Franc, Escudo, Lira and Peseta per 100.

■ D-MARK FUTURES (IMM) DM 125,000 per DM

	Open	Latest	[illegible]	High	[illegible]	Est. vol	Open int.
Mar	[illegible]	0.5764	+0.001[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	0.5732	0.5732	+0.0015	0.5735	0.5730	203	6,683
Sep	0.5710	0.5710	+0.0017	0.5710	0.5710	5	291

■ SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.6881	0.6908	+0.0047	0.6913	0.6880	19,443	40,048
Jun	0.6884	0.6898	+0.0040	0.6907	0.6884	69	821
Sep	-	-	-	-	-	-	-

■ JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100

	Open	Latest	[illegible]	High	Low	Est. vol	Open int.
[illegible]	[illegible]	0.9291	+0.0075	0.9302	0.9205	40,987	[illegible]
Jun	0.9270	0.9324	+0.0081	[illegible]	0.9270	319	6,660
Sep	0.9275	0.9350	+0.0073	[illegible]	0.9260	17	643

■ STERLING FUTURES (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	1.5020	1.5026	-	1.50[illegible]	1.4980	16,303	82,765
Jun	1.4950	1.4960	+0.0002	1.4960	1.4940	70	1,468
Sep	-	1.4900	-	1.4910	1.4900	7	13
Dec	-	-	-	-	-	-	-

EMS EUROPEAN CURRENCY UNIT RATES

Feb 1	Ecu cen. [illegible]	Rate against Ecu	[illegible] on day	% +/- from cen. rate	% spread v weakest	Div. ind.
[illegible]	0.808628	0.778580	+0.000369	[illegible]	6.26	27
Netherlands	2.19672	2.17920	-0.00092	-0.80	2.87	-
[illegible]	40.2123	40.1069	+0.0367	[illegible]	2.31	[illegible]
[illegible]	[illegible]	1.94507	-0.00106	-0.23	2.26	-
France	6.53883	6.60402	-0.00448	[illegible]	[illegible]	-6
Portugal	192.854	195.519	-0.379	[illegible]	[illegible]	[illegible]
Denmark	7.43679	[illegible]	[illegible]	[illegible]	5.52	-10
Spain	154.250	[illegible]	[illegible]	2.04	0.00	-14
NON ERM MEMBERS						
[illegible]	264.513	279.708	+0.144	5.74	[illegible]	-
Italy	1793.19	1896.38	+0.45	5.75	[illegible]	-
UK	0.786749	0.746095	+0.001272	-5.17	7.61	-

Ecu central rates set by [illegible] European Commission. Currencies are [illegible] [illegible]ding relative strength. Percentage changes are [illegible] Ecu; a positive change denotes a weak [illegible]. Divergence shows the ratio between two spreads: the percentage difference between the [illegible] market and Ecu central rates for a currency, and the maximum [illegible] percentage deviation [illegible] the currency's market rate from its Ecu central [illegible].
(17/9/92) [illegible] and Italian Lira [illegible] from ERM. Adjustment calculated by the Financial Times.

■ PHILADELPHIA [illegible] OPTIONS £31,250 (cents per pound)

[illegible] Price	CALLS Feb	CALLS Mar	CALLS Apr	PUTS Feb	PUTS Mar	PUTS Apr
1.400	-	10.05	8.91	-	0.03	0.09
1.425	7.82	7.82	7.83	-	0.05	[illegible]
1.450	5.35	[illegible]	5.60	-	0.18	[illegible]
[illegible]	2.95	3.28	[illegible]	[illegible]	0.51	[illegible]
[illegible]	1.05	[illegible]	2.41	[illegible]	[illegible]	[illegible]
[illegible]	0.16	0.74	1.40	2.05	2.94	3.55

Previous day's vol., Calls 22,337 Puts 12,737 . Prev. day's open int., Calls [illegible] Puts 470,216

WORLD INTEREST RATES

MONEY RATES

February 1	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	[illegible]	6¼	6⅛	6⅛	6⅛	7.40	5.25	-
week ago	7¼	6¼	7	5⅞	5¾	7.40	5.25	-
France	6¼	6¼	6⅛	5⅞	5⅝	6.20	-	7.75
week ago	6¼	6¼	6⅛	6¼	5⅝	6.20	-	7.75
Germany	6¼	6.05	5.85	5.60	5.29	6.75	5.75	6.00
week ago	5.98	6.08	5.85	5.65	5.35	6.75	5.75	6.00
Ireland	6	5⅞	5⅞	6⅛	6⅛	-	-	6.75
week ago	6¼	5⅞	5⅞	5⅞	6⅛	-	-	6.75
Italy	9¼	8⅝	8¼	8⅛	7⅞	-	8.00	8.92
week ago	8⅞	8½	8¼	8⅛	7⅞	-	8.00	8.92
Netherlands	5.56	5.45	5.25	5.00	4.86	-	5.25	-
week ago	5.56	5.45	5.25	5.04	4.86	-	5.25	-
Switzerland	4¼	4¼	4¼	3⅞	3¾	6.625	4.00	-
week ago	4⅛	4¼	4¼	3⅞	3¾	6.625	4.00	-
US	3¼	3¼	3¼	3⅜	3⅝	-	3.00	-
week ago	3	3¼	3¼	3⅜	3⅝	-	3.00	-
Japan	2¼	2⅛	2¼	2¼	2⅛	-	1.75	-
week ago	2¼	2¼	2¼	2	1⅞	-	1.75	-
■ $ LIBOR FT London								
Interbank Fixing	-	3⅛	3¼	3¼	3⅝	-	-	-
week ago	-	3⅛	3¼	3⅜	3⅞	-	-	-
US Dollar CDs	-	3.02	3.08	3.17	3.44	-	-	-
week ago	-	3.02	3.01	3.12	3.44	-	-	-
SDR Linked Ds	-	3¼	3⅜	3⅜	3⅝	-	-	-
week ago	-	3⅜	3⅜	3⅞	3⅞	-	-	-

$ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US $ CDs and SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Feb 1	Short term	7 days notice	One month	Three months	Six [illegible]	[illegible] year
Belgian Franc	6⅞ - 6¾	6⅞ - 6¾	6 11/16 - 6 9/16	6 11/16 - 6 9/16	6½ - 6⅜	6 5/16 - 6 3/16
Danish Krone	6 - 5⅞	6⅝ - 6⅛	6½ - 6⅛	6⅝ - 6¼	6 - 6¼	5⅝ - 5⅛
D-Mark	6⅛ - 6	6¼ - 6⅛	6⅛ - 6	5⅞ - 5¾	5⅝ - 5½	5 7/16 - 5 5/16
Dutch Guilder	5 11/16 - 5 9/16	5⅝ - 5½	5 7/16 - 5 5/16	5¼ - 5⅛	5 - 4⅞	4⅞ - 4¾
French Franc	6½ - 6⅜	6½ - 6⅜	6½ - 6⅜	6 7/16 - 6 5/16	6 1/16 - [illegible]	5 13/16 - [illegible]
Portuguese Esc	10½ - 10⅜	10⅝ - 10¼	10¾ - 10⅜	10½ - 10⅛	10⅜ - 10	10¼ - [illegible]
Spanish Peseta	8 13/16 - 8¾	8 13/16 - 8¾	8⅞ - 8 11/16	8 11/16 - 8½	8 7/16 - 8¼	8 1/16 - 7 13/16
Sterling	5⅝ - 5½	5½ - 5⅜	5 13/32 - 5 11/32	5 7/16 - 5 5/16	5 7/16 - 5¼	5¼ - 5 3/16
Swiss Franc	4½ - 4¼	4¼ - 4⅛	4⅛ - 4	4 1/16 - 3 15/16	3 15/16 - 3 13/16	3¾ - 3⅝
Can. Dollar	3⅝ - 3⅜	3¾ - 3½	3⅝ - 3½	3 11/16 - 3 9/16	3¾ - 3⅝	3 15/16 - 3 13/16
US Dollar	3 3/16 - 3 1/16	3⅛ - 3	3⅛ - 3	3¼ - 3⅛	3 7/16 - 3 5/16	3¾ - 3⅝
Italian Lira	10 - 8	8¾ - 8⅝	8½ - 8	8½ - 8	8¼ - 7⅞	8⅛ - 7⅞
Yen	2 3/16 - 2⅛	2 3/16 - 2⅛	2 3/16 - 2⅛	2¼ - 2 3/16	2 3/16 - 2⅛	2 3/16 - 2⅛
Asian $Sing	3½ - 2½	3½ - 2½	3½ - 2½	4 - 3	4 - 3	4¼ - 3¼

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ THREE MONTH PIBOR FUTURES (MATIF) Paris interbank offered rate

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	94.10	94.07	-0.02	94.12	94.06	35,803	120,710
Jun	94.67	94.63	-0.03	94.69	94.63	11,782	71,801
Sep	95.04	94[illegible]	[illegible]	95.05	[illegible]	5,925	[illegible]
Dec	95.26	95.25	-	[illegible]	95.23	2,491	27,404

■ THREE MONTH EURODOLLAR (LIFFE)* $1m points of 100%

	Open	Sett price	[illegible]	High	Low	[illegible]	Open [illegible]
Mar	96.62	96.59	[illegible]	96.63	96.60	285	[illegible]
Jun	96.31	96.27	[illegible]	96.31	96.31	249	3796
Sep	96.00	95.96	[illegible]	96.00	[illegible]	152	1314
Dec	95.62	95.59	-0.07	95.62	[illegible]	120	[illegible]

■ THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	94.44	94.42	-	94.45	94.42	19137	220418
Jun	[illegible]	[illegible]	-	[illegible]	[illegible]	28170	[illegible]
Sep	95.22	95.21	-	[illegible]	[illegible]	9491	149904
Dec	95.40	95.39	[illegible]	95.41	95.38	[illegible]	[illegible]

■ THREE MONTH EUROLIRA INT.RATE FUTURES (LIFFE) L1000m points of 100%

	[illegible]	Sett price	Change	[illegible]	Low	Est. [illegible]	[illegible] int.
Mar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5539	43795
Jun	[illegible]	92.42	-0.02	[illegible]	[illegible]	3375	37880
Sep	[illegible]	[illegible]	[illegible]	[illegible]	92.82	497	22518
Dec	93.11	[illegible]	[illegible]	[illegible]	93.06	593	12033

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%

	[illegible]	[illegible]	[illegible]	High	Low	Est. [illegible]	[illegible] int.
Mar	96.15	[illegible]	[illegible]	[illegible]	96.09	[illegible]	[illegible]
Jun	96.45	96.42	-0.01	96.46	96.39	1263	15367
Sep	[illegible]	[illegible]	-0.01	96.59	96.53	221	6424
Dec	[illegible]	[illegible]	-	[illegible]	96.56	125	[illegible]

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	94.01	93.95	[illegible]	[illegible]	93.95	372	12955
Jun	[illegible]	94.50	-0.02	94.54	[illegible]	344	10690
Sep	[illegible]	94.87	-0.01	94.90	[illegible]	381	8422
Dec	95.16	[illegible]	-0.01	[illegible]	[illegible]	385	5877

* LIFFE futures traded on [illegible]

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	[illegible]	96.51	-0.03	96.53	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	118,921	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	121,326	[illegible]
Dec	[illegible]	95.61	-0.06	[illegible]	95.60	[illegible]	221,732

■ US [illegible] BILL FUTURES (IMM) $1m [illegible] 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	96.92	[illegible]	-0.03	96.92	96.89	[illegible]	[illegible]
Jun	96.65	[illegible]	-0.06	96.65	96.62	[illegible]	[illegible]
Sep	96.35	[illegible]	[illegible]	96.35	96.33	240	2,869

All Open interest figs. are for previous day

■ [illegible] OPTIONS (LIFFE) [illegible] 100%

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS [illegible]
9425	0.20	0.66	0.98	0.03	0.02	0.02
9450	0.05	0.43	0.74	0.13	0.04	0.03
9475	0.01	0.24	0.53	0.34	0.10	0.07

Est. vol. total, Calls 4192 Puts 1654. Previous day's open int., Calls 211930 Puts 142987

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS Sep
9600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9625	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9650	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls 1389 Puts 3035

UK INTEREST RATES

LONDON MONEY RATES

Feb 1	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	5⅛ - 3	5 7/16 - 5 5/16	5 7/16 - 5¼	5 7/16 - 5 5/16	5 7/16 - 5 5/16	5⅜ - 5¼
Sterling CDs	-	-	5 13/32 - 5 11/32	5 13/32 - 5¼	5 13/32 - 5 11/32	5 13/32 - 5⅜
Treasury Bills	-	-	5 5/16 - 5¼	5 - 4 31/32	-	-
Bank Bills	-	-	5 5/16 - 5¼	5 5/16 - 5 3/16	5 1/32 - 4 31/32	-
Local authority deps.	5⅝ - 5⅜	5½ - 5⅜	5⅜ - 5 5/16	5 7/16 - 5 5/16	5 7/16 - 5¼	5¼ - 5 3/16
Discount market deps.	5 - 3¼	5¼ - 5⅛	-	-	-	-

UK clearing bank base lending rate 5½ per cent from November 23, 1993

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	1¼	4¼	4	3¾	3¾

Certs of Tax dep. under £100,000 is 2¼pc. Deposits withdrawn for cash 1pc.
Ave. tender rate of discount 4.8539pc. ECGD fixed rate Stg. Export Finance. Make up day January 31, 1994. Agreed rate for period Feb 26, 1994 to Mar 25, 1994, Scheme II & III 5.70pc. Reference rate for period Jan 1, 1994 to Jan 31, 1994, Schemes IV & V 5.434pc. Finance House Base Rate 6½pc from Feb 1, 1994

■ THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	94.72	94.68	-0.01	94.72	94.66	[illegible]	105250
Jun	94.92	94.89	-0.01	94.92	94.88	[illegible]	118238
Sep	94.94	94.92	[illegible]	[illegible]	[illegible]	3704	56547
Dec	[illegible]	[illegible]	-	94.91	94.86	[illegible]	70882

Traded on APT. All Open interest figs. are for previous day.

■ [illegible] STERLING OPTIONS (LIFFE) £500,000 points [illegible]

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS Sep
9450	0.21	0.44	0.53	0.03	0.05	0.11
[illegible]	[illegible]	[illegible]	0.34	0.13	0.11	0.17
[illegible]	[illegible]	[illegible]	0.21	0.33	0.23	0.29

Est. vol. total, Calls 3175 Puts 2810. Previous day's open int., Calls 145435 Puts 135884

BASE LENDING RATES

	%
Adam & Company	5.5
Allied Trust Bank	5.5
AIB Bank	5.5
●Henry Ansbacher	5.5
Bank of Baroda	5.5
Banco Bilbao Vizcaya	5.5
Bank of Cyprus	5.5
Bank of Ireland	5.5
Bank of India	5.5
Bank of Scotland	5.5
Barclays Bank	5.5
Brit Bk of Mid East	5.5
●Brown Shipley	5.5
CL Bank Nederland	5.5
Citibank NA	5.5
City Merchants Bank	5.5
Clydesdale Bank	5.5
The Co-operative Bank	5.5
Coutts & Co	5.5
Credit Lyonnais	5.5
Cyprus Popular Bank	5.5
Duncan Lawrie	5.5
Exeter Bank Limited	6.5
Financial & Gen Bank	6
●Robert Fleming & Co	5.5
Girobank	5.5
●Guinness Mahon	5.5
Habib Bank AG Zurich	5.5
●Hambros Bank	5.5
Heritable & Gen Inv Bk	5.5
●Hill Samuel	5.5
C. Hoare & Co	5.5
Hongkong & Shanghai	5.5
Julian Hodge Bank	5.5
●Leopold Joseph & Sons	5.5
Lloyds Bank	5.5
Meghraj Bank Ltd	5.5
Midland Bank	5.5
* Mount Banking	6
NatWestminster	5.5
●Rea Brothers	5.5
* Roxburghe Bank Ltd is no longer authorised as a banking institution.	6
Royal Bk of Scotland	5.5
●Smith & Williamson Secs	5.5
Standard Chartered	5.5
TSB	5.5
●United Bk of Kuwait	5.5
Unity Trust Bank Plc	5.5
Western Trust	5.5
Whiteaway Laidlaw	5.5
Wimbledon & Sth West	6.5
Yorkshire Bank	5.5

● Members of British Merchant Banking & Securities Houses Association.
* In administration

MONEY MARKET FUNDS

Money Market Trust Funds

	[illegible]	Net	Gross CAR	Int Cr
CAF Money Management Co Ltd				
48 Pembury Road, Tonbridge TN9 2JD			0732 7701[illegible]	
[illegible] Deposit Fund	5.11	-	5.21	3-Mth
Deposits Over £1 million	5.21	-	5.31	3-Mth
Deposits Over £2 million	5.31	-	5.41	3-Mth
The [illegible] Charities Deposit Account				
2 Fore [illegible], London EC2Y 5AQ			071-588 [illegible]	
Deposit	5.15	-	[illegible]	
Cent. Bd. of Fin. of Church of England§				
2 Fore Street, London EC2Y 5AQ			071-588 1815	
Deposit	5.30	-	5.30	3-Mth
Gartmore Money Management Ltd				
16-18 Monument St, London EC3R 8QQ			071-236 1425	
TESSA Bank			071 236 0352	
Call Fund	4.73	3.55	4.79	6-Mth
7-day Fund	4.83	3.62	4.88	6-Mth
Special Fund	4.74	3.56	4.84	1-Mth
Dollar	1.87	1.40	1.88	3-Mth
TESSA [illegible]	4.52	-	4.60	3-Mth

Money Market Bank Accounts

	Gross	Net	Gross CAR	[illegible]
Alliance House Bank plc				
[illegible] EC1Y 2XY.			[illegible]	
Treasury Account – for professional advisers				
£25,000–£49,999	5.00	3.750	5.12	Mth
£50,000 or more	5.25	3.9375	5.38	Mth
Monthly Inc Acc – for personal and business clients				
Up to £9,999	3.50	2.625	3.56	Mth
£10,000 – £24,999	4.25	3.1875	4.33	[illegible]
£25,000 – £49,999	4.75	3.5625	4.85	[illegible]
£50,000 or more	5.00	3.75	5.12	[illegible]
Money Market quotations – please telephone				
Allied Trust Bank Ltd				
97-101 Cannon St, London, EC4N 5AD			071-626 0879	
FOMMA (£2,001+)	6.54	4.90	[illegible]	Yearly
TREMMA (£2,001+)	5.85	4.39	5.85	Yearly
TOMMA (£2,001+)	5.64	4.23	5.64	Yearly
OMMA (£2,001+)	5.33	3.99	5.33	Yearly
HICA (£2,001+)	4.25	3.19	4.33	Mth
HIBCA (£2001+)	4.25	3.19	4.33	Mth
Premier TESSA	6.67	[illegible]	6.67	Yearly
American Express Bank Ltd				
Sussex House, Burgess Hill RH15 9AQ			0444 239444	
High Performance Cheque Account				
£500–£999.99	1.25	0.94	1.25	Mth
£1,000–£4,999.99	3.75	2.81	3.82	Mth
£5,000–£9,999.99	4.00	3.00	4.07	Mth
£10,000–£24,999.99	4.25	3.19	4.33	Mth
£25,000–£49,999.99	4.50	[illegible]	4.59	Mth
£50,000+	5.00	[illegible]	[illegible]	Mth
Bank of Ireland High Interest Cheque Acc				
36-40 High St, Slough SL1 1EL			0753 516516	
£10,000 +	[illegible]	[illegible]	[illegible]	[illegible]
£2,000–£9,999	[illegible]	[illegible]	[illegible]	
Bank of Scotland				
38 Threadneedle St, EC2P 2EH			[illegible]-601 6446	
[illegible]	3.85	2.89	[illegible]	Mth
[illegible]	4.10	3.07	[illegible]	Mth
£250,000+	[illegible]	[illegible]	[illegible]	Mth
Barclays Select				
PO Box 120, Westwood Bu Pk, Coventry			0800 400100	
[illegible]	4.05	3.04	4.05	Yearly
[illegible]	5.00	3.75	5.00	Yearly
£25,000-[illegible]	[illegible]	[illegible]	5.25	Yearly
£50,000-£[illegible]	5.75	[illegible]	5.75	Yearly
£100,000+	6.00	[illegible]	6.00	Yearly
Barclays [illegible]				
PO Box 125, Northampton			0604 [illegible]	
£1,000–£2,499	2.20	[illegible]	2.22	[illegible]
£2,500–£9,999	2.80	[illegible]	2.82	[illegible]
£10,000–£24,999	3.60	[illegible]	3.62	[illegible]
£25,000+	3.80	[illegible]	3.85	[illegible]
Brown Shipley & Co Ltd				
Founders Court, Lothbury, London EC2			071-606 9833	
HICA	4.50	3.375	4.58	Qtr
Prof Deposit A/c	4.50	3.375	4.58	Qtr
Caledonian Bank Plc				
8 St Andrew Square, Edinburgh EH2 2PP			031 556 [illegible]	
HICA	[illegible]	3.750	-	Yearly
Cater Allen Ltd				
20 Birchin Lane, London EC3V 9DJ			071-623 2070	
HICA	4.00	3.00	4.06	[illegible]
Contact £5,000 min	4.65	3.47	4.73	[illegible]
Overnight	4.6875	-	4.7695	[illegible]
Charterhouse Bank Limited				
1 Paternoster Row, EC4M 7DH			071-[illegible] 4000	
£2,500–£10,000	4.00	3.00	4.07	Mth
£20,000–£49,999	[illegible]	[illegible]	[illegible]	Mth
£50,000–£99,999	[illegible]	[illegible]	[illegible]	Mth
£100,000+	4.75	3.56	4.85	Mth
$5,000–$49,999	1.50	1.13	1.51	Mth
$50,000–$99,999	2.00	[illegible]	2.02	Mth
$100,000–$199,999	2.25	[illegible]	2.27	Mth
$200,000+	2.50	1.88	2.53	Mth
Many other currencies are available – for rates please phone ext 2180				
Clydesdale Bank Flexible Solution Acc				
30 St Vincent Place, Glasgow G1 2HL			041-248 7070	
£10,000–£29,999	[illegible]	[illegible]	[illegible]	Qtr
£30,000–£99,999	[illegible]	[illegible]	[illegible]	Qtr
£100,000–£199,999	[illegible]	[illegible]	[illegible]	Qtr
The Co-operative Bank				
PO Box 300, Skelmersdale, Lancs			[illegible] 282000	
TESSA	5.60	-	-	Yearly
Pathfinder – Card Based Current Account				
All Balances	[illegible]	4.03	[illegible]	Mth
Investment 60 – 60 Day Notice Savings				
£50,000+	5.50	4.13	5.58	6-Mth
£25,000–£49,999	4.75	3.56	4.81	6-Mth
£10,000–£24,999	4.25	3.19	4.30	6-Mth
£1,000–£9,999	3.25	2.44	3.28	6-Mth
Top Tier – Instant Access Savings				
£50,000+	4.00	3.00	4.04	6-Mth
£10,000–£49,999	3.50	2.63	3.53	6-Mth
£5,000–£9,999	2.50	1.88	2.52	6-Mth
Business Deposit – Instant Access				
£250,000+	4.75	3.57	4.81	6-Mth
£50,000–£249,999	3.31	2.48	3.34	6-Mth
£10,000–£49,999	3.00	2.25	3.02	6-Mth
£500–£9,999	2.00	1.50	2.02	6-Mth
30-60 day notice available Tel 071-629 [illegible]				
Coutts & Co				
440 Strand, London WC2R 0QS			071-753 1000	
Coutts Composite Account for clients money				
15 Lombard Street, London EC3V 9AU			071-623 1810	
Rates negotiable up to	4.875	-	-	-
Dao Heng Bank (London) PLC Premier Acc				
10 Angel Court, London EC2R 7HP			071-606 1616	
£20,000+	5.25	3.94	5.35	Qtr
£10,001–£20,000	4.50	3.38	4.58	Qtr
£2,500–£10,000	4.00	3.00	4.06	Qtr
Savings Account	3.00	2.25	3.03	Qtr
Davenham Tst Plc–Davenhams 500 Acc				
6 St John St, Manchester M3 4DU			061-832 8484	
£10,000+ 6mths	7.25	5.4375	-	6-Mth
[illegible]	7.50	5.625	7.5	Yearly
£5,000 + Fixed Rate til 2 Yrs	8.00	6.00	7.7	-
Fidelity Money Market Account				
Fidelity Brokerage Services Ltd, Oakhill House, Hildenborough, Kent TN11 9DZ				
£1–£49,999	4.00	3.00	4.06	Qtr
£50,000–£249,999	4.50	3.375	4.58	Qtr
£250,000–£499,999	5.125	3.8437	5.22	Qtr
£500,000+ Money Market Rates on request				
Gartmore Money Management Ltd				
16-18 Monument St London EC3R 8QQ			071-236 1425	
HICA £10,000 +	4.00	3.00	4.06	3-Mth
Halifax Bldg Soc Asset Reserve Cheque Acc				
Trinity Road, Halifax HX1 2RG			0422 335333	
Rates for personal customers				
£50,000 and above	5.60	4.20	5.72	Qtr
£25,000 to £49,999	5.25	3.94	5.36	Qtr
£10,000 to £24,999	4.90	3.68	4.99	Qtr
[illegible]	4.25	3.19	4.32	Qtr
Rates for non-personal customers				
£50,000 and above	5.25	3.94	5.35	Qtr
£25,000 to £49,999	4.75	3.56	4.84	Qtr
£10,000 to £24,999	4.50	3.38	4.58	Qtr
£5,000 to £9,999	4.25	3.19	4.32	Qtr
Julian Hodge Bank Ltd				
10 Windsor Place Cardiff CF1 3BX			0222 220800	
6 Mth Fixed Rate Deposit Acc	6.50	4.88	6.61	-
3 Mth Fixed Rate Deposit Acc	6.00	4.50	6.14	-
1 Mth Fixed Rate Deposit Acc	6.00	4.50	6.14	-
Humberclyde Finance Group				
5 Barley Way, Hook, Basingstoke			0256 760000	
£50,000+	5.50	4.13	5.61	Qtr
Leopold Joseph & Sons Limited				
29 Gresham Street, London EC2V 7EA			071-588 2323	
Treasury High Interest Cheque Account				
£25,001–£100,000	4.75	3.5630	4.8409	Qtr
£100,001 plus	5.00	3.7500	5.0900	Qtr
Kleinwort Benson Ltd				
158 Kentish Town Rd, London NW5 2BT			071-267 1566	
H.I.C.A. (£2,500+)	4.375	3.281	4.450	Daily
Kleinwort Benson Private Bank				
(a division of Kleinwort Benson Investment Management Ltd)				
158 Kentish Town Road, London NW5 2BT			071-267 1566	
H.I.C.A. (£2,500+)	4.375	3.281	4.450	Daily
Lloyds Bank – Investment Account				
[illegible] St, London EC3P 3BS			0272 433372	
[illegible] and above	5.50	4.13	5.50	Yearly
£50,000+	5.15	3.86	5.15	Yearly
£25,000+	4.95	3.71	4.95	Yearly
£10,000+	4.75	3.56	4.75	Yearly
Midland Bank plc				
PO Box 2, Sheffield.			0742 529394	
Exchequer Acc £5000+	3.75	2.81	3.75	Yearly
£10,000+	4.50	3.37	4.50	Yearly
£25,000+	5.00	3.75	5.00	Yearly
£50,000+	5.75	4.31	5.75	Yearly
TESSA	5.25	-	5.25	Yearly
Nationwide Bldg Soc – Businessinvestor				
Business High Interest Cheque Account				
Pipers Way, Swindon [illegible] SN38 1HW			0800 [illegible]	
£2,000–£4,999	3.30	2.48	3.34	Qtr
£5,000–£9,999	3.80	2.85	3.85	Qtr
£10,000–£24,999	4.30	3.23	4.37	Qtr
£25,000–£49,999	4.80	3.60	4.89	Qtr
£50,000+	5.30	3.98	5.41	Qtr
Portman Bldg Soc Prestige Cheque Account				
Richmond Hill, Bournemouth, BH2 6EP			0800 [illegible]	
£50,000+	5.50	4.13	5.50	Yearly
£30,000–£49,999	5.00	3.75	5.00	Yearly
£20,000–£29,999	4.50	3.38	4.50	Yearly
£10,000–£19,999	3.50	2.63	3.50	Yearly
£2,500–£9,999	2.50	1.88	2.50	Yearly
Rea Brothers Limited, Bankers				
Aldermans Walk, London EC2M 3XR			071-623 1155	
Professionals' Client Account	3.5	2.63	[illegible]	Mth
[illegible]	5.5	4.13	[illegible]	Mth
[illegible]	4.3	3.23	[illegible]	Qtr
Royal Bank of Scotland plc Premium Acc				
42 St Andrew Sq, Edinburgh EH2 2YE			031-523 [illegible]	
£50,000+	4.50	3.38	4.58	Qtr
£25,000 – £49,999	4.10	3.08	4.16	Qtr
£10,000 – £24,999	3.50	2.63	3.55	Qtr
£5,000 – £9,999	2.00	[illegible]	[illegible]	[illegible]
£2,000 – £4,999	1.00	[illegible]	[illegible]	[illegible]
Save & Prosper/Robert Fleming				
16-22 Western Rd, Romford RM1 3LB			0800 282[illegible]	
Client Account	4.00	3.00	4.08	Daily
TESSA Fixed 1 Year	[illegible]	-	[illegible]	Mth
TESSA Variable	4.89	-	[illegible]	Mth
Tyndall Bank plc				
29-33 Princess Victoria St, Bristol			0272 744720	
HIMA £5000+	3.875	2.906	3.932	Qtr
[illegible]	4.000	3.000	4.060	Qtr
HIMA £50000+	4.125	3.094	4.189	Qtr
HIMA £100000+	4.250	3.188	4.318	Qtr
Tyndall TESSA	4.750	-	4.836	Qtr
UCB Trust Limited				
1 Great Cumberland Pl, London W1H 7AL			071-258 0094	
£10,000–90 day notice	7.00	5.25	7.19	3-Mth
£10,000–180 day notice	7.75	5.81	7.90	6-Mth
£25,000 – 1 Year	7.90	[illegible]	-	Yearly
[illegible] Dominions Trust Ltd				
PO Box 92, 119 Cockfosters Rd, Barnet, Herts, EN4 0DY				
Capital Plus Cheque Account				
£1,000+	4.75	3.56	4.84	Qtr
J. Henry Schroder Wagg & Co Ltd				
120 Cheapside, London EC2V 6DS			071-382 6000	
Special Acc	4.375	[illegible]	4.440	Mth
[illegible]	4.625	3.470	4.700	Mth
[illegible] High Interest Cheque Acc				
[illegible]			0702 224141	
£10,000+	5.00	3.75	5.09	Qtr
£5,000–£14,[illegible]	4.75	3.56	4.84	Qtr
£1,000–£4,[illegible]	4.50	3.38	4.58	Qtr
Wimbledon & [illegible] Finance PLC				
114 Newgate St, London [illegible] 7AH			071-606 9485	
High Int Cheque Acc	4.50	3.38	[illegible]	[illegible]

NOTES– Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year. 'Compounded Annual Rate'. Int Cr: Frequency at which interest is credited to the account.

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Feb 1 / Sch)

		+/-	High	Low	Yld	P/E
AusAir	1,950	+15	2,000	1,280	2.8	—
BkAust	1,195	...	1,270	959	0.8	—
CredPf	813	+11	834	409	0.7	—
EA Gen	4,050	+50	4,290	2,980	—	—
EVN	1,702	+10	1,713	690	1.1	—
Lenzng	1,310	+10	1,331	464	1.2	—
OeMv	1,059	-2	1,071	562	1.4	—
PerlZm	1,010	...	1,105	760	2.0	—
Radextl	502	-2	513	290	2.0	—
SteyrD	202	+3	220	146	3.0	—
VeitMg	403	+1	405	211	1.5	—
VoeBWA	754	+3	791	380	2.1	—
WnAir	587	+5	600	440	1.4	—
Wienbg	4,290	-5	4,340	2,820	0.8	—

BELGIUM/LUXEMBOURG (Feb 1 / Frs.)

DENMARK (Feb 1 / Kr)

FINLAND (Feb 1 / Mkk)

FRANCE (Feb 1 / Frs.)

GERMANY (Feb 1 / Dm.)

ITALY (Feb 1 / Lire)

NETHERLANDS (Feb 1 / Fls.)

NORWAY (Feb 1 / Kroner)

SPAIN (Feb 1 / Pts.)

SWEDEN (Feb 1 / Kronor)

SWITZERLAND (Feb 1 / Frs.)

PACIFIC

JAPAN (Feb 1 / Yen)

AUSTRALIA (Feb 1 / Aus$)

HONG KONG (Feb 1 / H.K.$)

MALAYSIA (Jan 31 / MYR)

SINGAPORE (Feb 1 / S$)

NORTH AMERICA

CANADA

TORONTO (Feb 1 / Can $)

4 pm close

MONTREAL (Feb 1 / Can $)

4 pm close

AFRICA

SOUTH AFRICA (Feb 1 / Rand)

Prices supplied by Telekurs

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are based on data from Jan 1 1993. ‖ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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■ TOKYO - MOST ACTIVE STOCKS: Tuesday, February 1, 1994

	Stocks Traded	Closing Prices	Change on day
Fujitsu	22.4m	1,040	+20
Nippon Steel	20.2m	358	-1
Isuzu Motor	15.8m	457	+37
NKK	14.8m	272	+12
Kawasaki Steel	14.2m	372	-9
Fujikura	12.2m	1,010	+21
NEC	11.9m	1,060	+10
Sanyo Elec	11.6m	467	+21
Nomura Sec	11.8m	2,360	+40
Furukawa Elec	11.3m	692	-12

INDICES

	Feb 1	Jan 31	Jan 28	1993/94 High		1993/94 Low	
Argentina							
General (29/12/77)	(u)	23245.7	22447.5	23245.70	31/1/94	12167.80	8/3/93
Australia							
All Ordinaries(1/1/80)	2310.1	2310.8	2259.9	2310.80	31/1/94	1495.90	13/1/93
All Mining(1/1/80)	1106.5	1098.2	1077.7	1168.40	20/1/94	594.70	13/1/93
Austria							
Credit Aktien(30/12/84)	460.00	458.04	453.37	460.60	1/2/94	309.26	14/1/93
Traded Index(2/1/91)	1222.25	1215.38	1201.04	1222.25	1/2/94	712.08	15/1/93
Belgium							
BEL20 (1/1/91)	1528.63	1529.44	1516.75	1528.44	31/1/94	1125.49	4/1/93
Brazil							
Bovespa (29/12/83)	(u)	74056.0	69822.0	74056.00	31/1/94	714.72	4/1/93
Canada							
Metals Minls♦(1975)	(u)	3807.82	3699.28	3807.82	31/1/94	2743.31	21/1/93
Composite♦ (1975)	(u)	4554.90	4492.20	4582.90	19/1/94	3275.80	21/1/93
Portfolio§§ (4/1/83)	(u)	2174.78	2142.23	2175.55	19/1/94	1720.97	21/1/93
Chile							
IPGA Gen (31/12/80)	(u)	4607.3	4554.7	4607.30	31/1/94	2912.80	10/3/93
Denmark							
CopenhagenSE(3/1/83)	413.07	407.13	403.36	413.07	1/2/94	281.98	4/1/93
Finland							
HEX General(28/12/90)	1929.5	1895.7	1882.6	1929.50	1/2/94	843.16	22/1/93
France							
SBF 250 (31/12/90)	1572.29	1573.30	1560.80	1573.98	31/1/94	1114.19	29/1/93
CAC 40(31/12/87)	2331.29	2334.36	2313.17	2334.36	31/1/94	1772.21	29/1/93
Germany							
FAZ Aktien(31/12/58)	835.04	832.42	818.80	855.67	4/1/94	588.92	14/1/93
Commerzbank(1/12/53)	2389.8	2381.5	2341.3	2458.00	4/1/94	1694.20	14/1/93
DAX (30/12/87)‡	2179.67	2177.45	2133.47	2267.86	3/1/94	1516.50	13/1/93
Greece							
Athens SE(31/12/80)	1083.96	1055.17	1076.92	1194.58	18/1/94	667.72	5/1/93
Hong Kong							
Hang Seng(31/7/64)	11926.89	11487.02	11377.83	12201.09	4/1/94	5437.80	4/1/93
India							
BSE Sens.(1979)	3947.8	3894.8	4053.9	4069.39	27/1/94	2100.67	23/4/93
Indonesia							
Jakarta Comp.(10/8/82)	591.95	582.02	582.65	612.89	5/1/94	273.31	5/1/93
Ireland							
ISEQ Overall(4/1/88)	2079.17	2068.98†	2031.99	2082.18	20/1/94	1191.18	11/1/93
Italy							
Banca Comm Ital (1972)	668.75	662.11	641.83	668.75	1/2/94	449.33	6/1/93
MIB General (4/1/94)	1055.0	1039.0	1026.0	1055.00	1/2/94	944.00	10/1/94
Japan							
Nikkei 225 (16/5/49)	20416.34	20229.12	18757.86	21148.11	13/9/93	16078.71	29/11/93
Nikkei 300 (1/10/82)	303.97	302.15	282.15	306.84	10/11/93	248.64	29/11/93
Topix (4/1/68)	1643.10	1629.27	1527.82	1698.67	3/9/93	1250.06	25/1/93
2nd Section (4/1/68)	2184.20	2167.88	2046.02	2384.97	7/6/93	1991.22	26/1/93
Malaysia							
KLSE Comp.(4/4/86)	(c)	1108.99	1090.06	1314.46	5/1/94	614.28	13/1/93
Mexico							
IPC (Nov 1978)	(u)	2781.37	2743.20	2781.37	31/1/94	1504.18	23/2/93
Netherland							
CBS TtlRtnGen(End 83)	451.2	454.9	447.0	454.90	31/1/94	295.70	4/1/93
CBS All Shr (End 83)	292.9	294.8	289.7	294.80	31/1/94	198.80	13/1/93
New Zealand							
Cap. 40 (1/7/86)	2423.02	2387.92	2338.28	2423.62	1/2/94	1495.37	21/1/93
Norway							
Oslo SE(Ind)(2/1/83)	1181.82	1185.81	1184.57	1195.81	31/1/94	689.93	27/1/93
Philippines							
Manila Comp (2/1/85)	2835.49	2874.58	2929.50	3080.87	4/1/94	1270.68	4/1/93
Portugal							
BTA (1977)	3079.6	3018.0	3026.4	3038.39	27/1/94	1808.20	14/1/93
Singapore							
SES All-S'pore(2/4/75)	612.90	606.42	587.90	640.81	4/1/94	384.10	13/1/93
South Africa							
JSE Gold (28/9/78)	1857.0¶	1938.0	1905.0	2331.00	4/1/94	775.00	5/1/93
JSE Ind. (28/9/78)	5557.0¶	5536.0	5308.0	5750.00	7/1/94	4083.00	19/4/93
South Korea							
KoreaCompExp(4/1/80)**	960.10	945.71	935.75	960.10	1/2/94	605.80	6/3/93
Spain							
Madrid SE (30/12/85)	351.27	358.31	352.34	358.31	31/1/94	213.60	4/1/93
Sweden							
AffarsvaldsGen (1/2/37)	1588.2	1603.9	1574.6	1603.90	31/1/94	979.18	28/1/93
Switzerland							
Swiss Bk Ind (31/12/58)	1408.90	1423.34	1405.21	1423.34	31/1/94	804.80	11/1/93
SBC General (1/4/87)	1083.57	1093.28	1081.43	1093.28	31/1/94	678.79	11/1/93
Taiwan							
WeightedPr.(30/6/66)**	6176.91	6115.12	6018.06	6454.92	6/1/94	3098.43	9/1/93
Thailand							
Bangkok SET (30/4/75)	1455.58	1493.45	1507.95	1753.73	4/1/94	818.84	1/5/93
Turkey							
Istanbul Comp.(Jan 1986)	20978.8	20104.8	18591.9	20983.88	13/1/94	3865.52	1/1/93
WORLD							
MS Capital Int (1/1/70)§	640.2*	637.0	621.8	640.20	1/2/94	460.80	13/1/93
CROSS-BORDER							
Eurotrack 100(26/10/90)	1532.83	1540.19	1510.22	1548.19	31/1/94	1063.02	13/1/93
Euro Top-100 (26/6/90)	1298.47	1307.06	1286.02	1307.06	31/1/94	882.73	13/1/93
JCapolDegre (31/12/88)	(u)	394.82	359.85	395.18	5/1/94	180.92	4/1/93
Barings Emerg(7/1/92)	177.53	174.76	174.01	177.53	1/2/94	99.81	4/2/93

** Sat Jan 29: Taiwan Weighted Price (c) ; Korea Comp Ex 946.11. Base values of all indices are 100 except Australia All Ordinary and Mining - 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall, Toronto Comp./Metals & Minerals and DAX - all 1,000; JSE Gold - 255.7; JSE 28 Industrials - 264.3; NYSE All Common - 50 and Standard and Poor's - 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index: Feb 1 - 2181.98 -10.72.

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♣ The DJ Indl. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ¶ Subject to official recalculation.

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open Int.
Feb	2350.0	2345.0	-	2356.0	2329.0	20,718	26,098
Mar	2362.0	2357.0	-	2367.0	2346.0	672	43,824
Jun	2357.5	2352.5	-	2358.5	2354.0	154	2,365

Open interest figures for previous day.

US INDICES

Dow Jones	Jan 31	Jan 28	Jan 27	1993/94 High	1993/94 Low	Since compilation High	Since compilation Low
Industrials	3978.36	3945.43	3926.30	3978.36 (31/1/94)	3241.95 (20/1/93)	3978.36 (31/1/94)	41.22 (2/7/32)
Home Bonds	105.46	105.62	105.53	108.77 (18/10/93)	103.46 (11/1/93)	108.77 (18/10/93)	54.99 (1/10/81)
Transport	1858.98	1834.50	1821.08	1858.98 (31/1/94)	1453.84 (4/1/93)	1858.98 (31/1/94)	12.32 (8/7/32)
Utilities	226.01	225.42	225.61	256.46 (31/8/93)	217.11 (24/1/94)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 4002.84 (3971.89) Low 3937.27 (3919.54) (Theoretical♣)
Day's high 3985.67 (3953.08) Low 3944.08 (3928.30) (Actual♣)

Standard and Poors	Jan 31	Jan 28	Jan 27	1993/94 High	1993/94 Low	Since compilation High	Since compilation Low
Composite ‡	481.61	478.70	477.05	481.61 (31/1/94)	429.05 (8/1/93)	481.61 (31/1/94)	4.40 (1/6/32)
Industrials	558.19	555.08	553.44	558.19 (31/1/94)	486.46 (28/4/93)	558.19 (31/1/94)	3.62 (21/6/32)
Financial	48.58	48.19	45.79	48.40 (28/9/93)	38.88 (8/1/93)	48.40 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	257.10	255.42	254.36	257.10 (31/1/94)	236.21 (8/1/93)	257.10 (31/1/94)	4.46 (25/4/42)
Amex Mkt Val	465.89	463.22	461.26	465.89 (31/1/94)	395.84 (8/1/93)	465.89 (31/1/94)	29.31 (9/12/72)
NASDAQ Comp	800.47	796.53	792.88	800.47 (31/1/94)	645.87 (28/4/93)	800.47 (31/1/94)	54.87 (31/10/72)

■ RATIOS

	Jan 28	Jan 21	Jan 14	Year ago
Dow Jones Ind. Div. Yield	2.57	2.59	2.62	3.13
	Jan 26	Jan 19	Jan 12	Year ago
S & P Ind. Div. yield	2.35	2.34	2.35	2.51
S & P Ind. P/E ratio	27.99	28.13	28.07	28.98

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	481.70	481.30	-0.40	481.70	481.00	57,651	188,113
Jun	482.25	482.35	-0.30	482.35	482.00	368	5,148
Sep	-	-	-	-	-	-	-

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Close price	Change on day
Telefonos	4,027,000	73⅝	+1⅞
Citicorp	3,036,700	43⅝	+½
Gen Motors	2,776,300	61½	+2⅛
Wal-Mart	2,772,800	28⅛	——
Merck	2,690,700	36⅝	+½
RJR Nabisco	2,661,500	7⅝	——
BankAmerica	2,498,800	40⅛	+1⅛
Alcan Alumin	2,432,300	24½	+1⅜
Humana	2,328,800	20⅛	+⅝
Contl Bank	2,238,100	35⅝	+1⅛

■ TRADING ACTIVITY

● Volume (million)	Jan 31	Jan 28	Jan 27
New York SE	307.920	312.836	346.282
Amex	23.244	21.838	19.119
NASDAQ	(u)	347.458	314.491
NYSE			
Issues Traded	2,755	2,738	2,735
Rises	1,408	1,302	1,317
Falls	720	763	768
Unchanged	620	671	650
New Highs	209	151	100
New Lows	16	10	18

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1993/94 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
16⅝	11½	AAR	0.48	3.0	529	198	16⅜	15⅞	15⅞	-⅜
29⅝	12¾	A L Labs A	0.18	1.2	36	495	15¾	15¼	15⅝	+⅜
67¼	54⅝	AMP	1.68	2.7	22	678	62⅝	61¾	62½	
72¾	55½	AMR			34	2407	72	71	71	-⅞
4½	1¼	ARX			18	3329	u4¾	4½	4⅝	+¼
58¼	29⅞	ASA	2.00	3.9	34	1969	51⅞	50⅝	51¾	+1¼
30¾	22⅝	AbbotL	0.68	2.3	17	11413	30	29½	29¾	+¼
13	8¼	Abitibi Pr	0.50	3.9	8	219	u13	12¾	12¾	-⅛
15⅞	8¼	Acptmcain			23	1494	13½	12½	12½	-1⅛
36	25½	ACE Ltd	0.40	1.4	5	2812	28¾	28⅜	28⅜	-⅛
12⅝	10¾	ACM Gvt In x	1.09	8.9		533	12⅜	12¼	12¼	-⅛
10⅛	9⅛	ACM GvOpp x	0.80	7.9		125	u10⅛	10	10⅛	+⅛
10⅝	8¾	ACM Gvt Sp x	0.98	9.4		270	10⅜	10¼	10¼	
12¼	10½	ACM Gvt Se x	1.09	9.3		569	11¾	11⅝	11¾	
12¾	9⅝	ACM Man x	1.08	9.2		345	11¾	11½	11¾	+¼
9⅞	8⅝	ACM Managd x	0.72	7.9		38	9⅛	9⅛	9⅛	+⅛
12⅞	7¾	AcmeClv	0.44	4.3	12	35	10⅜	10¼	10¼	-¼
11⅞	6⅜	Acme Elect			35	8	8	7⅞	7⅞	
27⅝	18⅜	Acordia	0.44	1.9	13	11	23½	23½	23½	-¼
16	10⅞	Acuson			56	621	12½	12⅜	12⅜	-⅛
21¾	17⅝	Adams Expr	0.39	2.1	6	78	18⅜	18¼	18¼	
68¼	45½	Ad Micro	3.00	6.0		164	50¾	50¼	50¼	-1
32¾	16¾	AdvMic	3.00	14.8	8	2561	20⅝	20⅛	20¼	-¼
8⅛	5½	Advest Grp	0.10	2.3	10	171	6⅞	6⅝	6⅞	
24⅞	14¾	Aero Inc	0.06	0.4	124	321	18⅝	18¼	18⅝	+½
58½	41⅛	Aegon ADR	1.23	2.2	12	18	55½	54⅝	54⅝	-⅞
66¼	43⅜	AetnaL	2.76	4.4	27	3360	63	62½	62½	-1
34	24⅞	Aflac	0.40	1.4	13	4132	28⅝	28⅛	28⅝	+¼
22⅛	16¾	Ahmnsn	0.88	4.7	8	2994	18¾	18½	18⅝	-⅛
7¾	1⅞	Aileen Inc			1	197	1⅞	1¾	1¾	-⅛
49⅝	37½	AirPrC	0.92	1.9	28	958	u49⅝	48½	48¾	-⅞
39½	18⅛	Airbne Frt	0.30	0.8	29	2549	u38½	34¾	38⅛	+1¾
25¾	9⅛	Airgas Inc			44	679	25⅝	25⅛	25⅝	+⅜
16⅞	10½	Airlease	1.84	11.8	12	34	15⅝	15⅜	15⅝	+¼
106½	101	AlaPw8.16	8.16	7.8		3	104	104	104	
18¾	12¼	Alaska Air	0.20	1.1	7	1021	17⅞	17½	17⅞	+⅛
19⅞	14¼	Albany Int	0.35	1.9	31	365	19	18	18½	-⅜
28¼	20⅛	AlbCuB	0.28	1.2	18	441	23¼	22¾	23¼	+⅛
25¼	17	AlCulvr A	0.28	1.4	15	104	20½	19⅞	20⅜	-⅛
29¾	23⅜	Albstn	0.38	1.4	30	4966	26⅝	25¾	25⅞	-⅞
34⅝	16⅞	AlcnAl	0.30	1.2	45	12066	u25	24½	24½	
58⅞	35¾	AlcoSt	1.00	1.7	148	928	57⅞	57⅜	57⅝	-½
30½	18⅝	AlexBrown	0.60	2.2	4	793	28	27½	27¾	-⅛
28⅞	17⅝	AlexAl	1.00	4.7	38	947	21⅝	21⅛	21⅜	+⅞
24¼	17	Allegh Lud	0.48	2.1	23	309	23	23	22⅞	
28½	23½	AllegP	1.64	6.5	13	3858	25¼	24¾	25⅛	+⅛

1993/94 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
32	24⅝	Bay St Gas	1.42	5.2	16	124	27¾	27⅜	27½	+⅛
25	21⅝	Bd Tr 1838	1.72	7.9		121	22	d21⅝	21¾	-¼
26	15	Bear Strns	0.60	2.5	6	2145	24⅝	24¼	24⅜	
50¼	45½	BearStPfA	2.75	5.5		2	49⅝	49⅝	49⅝	
33	20½	Bearings	0.64	2.0	22	41	32¾	32	32¾	+⅛
28¾	19¾	Beckman In	0.40	1.4	23	683	28⅛	27⅞	27⅞	-⅝
40¾	32⅝	BectnD	0.74	2.0	13	2059	37⅛	36½	36⅝	

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NYSE COMPOSITE PRICES

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1993/94 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
29¼	16⅞	Safeg'd Sc			13	344	u29¾	29	29	-¼
24¾	13¾	SftyKl	0.36	2.1	28	722	17¼	17	17	
22¾	10⅞	Safeway			25	240	20⅞	20⅝	20⅝	+⅛
5¼	2	SafewayW96				66	4¾	4⅝	4⅝	
55½	37½	StJoePaper	0.20	0.4	388	67	55⅞	54⅝	54⅞	
37⅞	28	StJod.AP	1.80	6.2	11	38	29¼	29	29⅛	+¼
98	75	StPaul	2.60	3.2	8	928	85⅝	84¼	85⅞	-2
11⅛	6⅛	Salant Crp			9	157	7⅝	7⅜	7½	-¼
75¼	39⅞	Sallie Mae	1.40	2.9	9	1772	48⅞	48⅛	48¼	-⅝
14⅜	12⅝	Salomon Br	0.55	4.0		381	13⅞	13¾	13¾	
51⅞	34	Salomn	0.64	1.3	6	3451	49¾	48¼	48⅜	-⅞
27¾	23	SnDgGE	1.48	6.3	12	617	24¼	23⅝	23⅝	-½
11⅞	8⅛	SantaFeERs	0.16	1.8	304	5256	9⅛	9⅛	9⅛	-⅛
40¾	35¾	SantaFePac	2.80	7.0	18	53	40	39⅝	39⅞	+⅛
26⅛	12⅜	SanFeP	0.10	0.4	13	3398	24⅞	24⅝	24¾	+¼
31⅛	21	SaraLee	0.64	2.9	15	15102	22⅞	21⅛	22⅛	+¼
52¼	40⅛	Scana Corp	2.74	5.7	13	134	48½	48	48⅛	
25¾	18¾	Scecorp	1.42	7.3	13	6220	19½	19⅛	19⅜	-⅛
40½	23⅞	ScheringP			31	524	39⅞	39⅛	39⅛	-⅞
71	51¾	SchPl	1.80	2.9	14	9591	63⅛	61⅝	62	-1
68⅞	54⅝	Schlmb	1.20	2.0	24	5017	60	58⅝	59	-⅞
38⅜	18½	Schwab(C)	0.28	0.9	14	4088	30⅜	29½	29⅞	+⅛
7¾	5⅝	Schwitzer			112	188	d7⅞	7½	7⅞	+½
38⅞	17¾	SciAtl	0.12	0.4	58	7727	29¼	28½	29⅛	+⅝
15	9⅛	Scotsman	0.10	0.7	14	12	14½	14½	14½	
48¾	31	ScottP	0.80	1.7	11	3619	u48¾	45⅞	46	-⅞
28⅝	14¼	ScuddrNAeF	0.27	1.0		178	27⅜	26⅞	27	-⅜
11⅞	7½	ScuddrNEuF	0.16	1.4		905	11¾	11⅝	11¾	
31½	16⅞	SeaCnB	0.70	4.0	6	79	18	17¼	17⅜	-⅛
17	15	SeaC1.4625	1.46	9.2		3	16	15⅞	15⅞	
30¾	24½	Seagrm	0.56	1.8	39	8831	u31	30⅜	30¾	
32⅞	15	Seagull En			48	1291	27⅜	26⅛	27⅜	+¾
32	21	Sealed Air			23	189	31	30⅞	31	+⅛
60⅛	42⅝	SearsR	1.60	3.0	31	8475	54⅝	53¼	53¾	-1⅛
13⅜	12⅝	Seligm Sel	0.84	6.3		57	13⅜	13¼	13¼	
35⅝	30	Sensormat	0.22	0.6	35	1149	34⅞	33⅞	34⅞	+1¾
38	18	SequaA	0.60	1.7	7	64	35¼	35	35⅛	
35⅝	17¾	SequaB	0.50	1.4	18	74	35¼	35¼	35¼	
28½	17⅞	ServCp	0.42	1.6	21	1657	26¼	26	26	-⅛
31	17¾	SvMstr	0.92	3.3	14	1302	27¾	27	27¾	+¼
25½	14¼	Shaw Ind	0.22	1.1	24	2264	20½	20⅛	20⅛	
28⅝	17¾	Shawmut Nt	0.80	3.4	21	2760	23⅞	23⅛	23½	-⅛
14⅞	10⅛	Shelby Wil	0.28	2.0	30	9	14⅛	14⅛	14⅛	
66⅝	48	ShellTr	2.37	3.6	20	214	65⅞	65¼	65¼	-1
37½	26⅞	SherW	0.50	1.5	18	936	34⅜	34⅛	34⅛	
25⅝	16½	Shoneys			15	4709	22¾	22⅛	22½	-½
24⅝	15⅞	Showboat	0.10	0.5	22	998	19⅝	19	19⅜	+¼
22¼	18⅝	Sierra Pac	1.12	5.8	11	626	19⅝	19⅛	19⅛	-½
14¾	8⅞	SignetApp			3	107	9½	9⅛	9⅛	
36⅜	21½	Signet Bnk	1.00	2.6	13	1266	u38⅝	38	38	-⅛
26	11¾	SiliconGr			33	3208	25¾	25⅛	25½	-⅛
16½	10⅞	Sizeler	1.08	8.6	20	45	12⅝	12⅝	12⅝	-⅛
10⅞	7	Sizzler	0.16	1.9	56	103	8¾	8	8¼	+⅛
23	16⅛	Skyline	0.48	2.3	18	101	20⅞	20⅝	20¾	
4¾	3	SL Inds	0.06	1.5	14	81	4	3⅞	4	+⅛
7¼	3⅞	SmithCoro	0.20	3.6	70	412	5⅞	5⅝	5⅝	-⅛
11½	7¾	Smithn			31	1129	8⅞	8¾	8¾	-½
38⅝	27⅞	SKBchA	0.94	3.0	15	52	32	31½	31½	
34⅜	25¾	SKBEqU	0.94	3.2		3512	29¾	29⅛	29⅜	-⅛
37¼	19	Smiths Fd	0.52	2.2	15	2860	23⅞	22⅞	23⅛	+½
32⅜	20¼	Smucker J	0.46	1.9	19	715	25	24½	24¾	+½
44½	30½	SnpOnT	1.08	2.5	24	231	42⅞	42⅜	42⅜	+½
23	10	Snyder Oil	0.24	1.3	24	432	19	18⅝	19	+⅛
29¾	16½	Solectron			32	3098	u30⅞	29¾	30¾	+2⅛
36½	21¾	Sonat	1.08	3.4	10	3194	32⅞	31½	32	+⅞
59¾	32	Sony	0.47	0.8	97	1489	59	58¼	58⅜	-1

1993/94 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
34¼	24½	TJX	0.50	1.8	17	2985	28½	28	28½	+¼
19½	14⅝	TNP Enterp	1.63	9.1	33	77	17⅞	17⅝	17⅞	
75	52½	TRW	1.88	2.5	22	1362	u76	74⅝	75⅞	+1
25⅞	5¼	T2 Medcl	0.10	1.2	8	1371	8⅛	7⅞	8¼	
39¾	17⅛	Taiwan Fd				705	34⅜	34¼	34¼	-⅝
9	3⅞	Talleyind	0.42	6.4	50	244	6⅝	6⅝	6⅝	
14½	6½	Talley Pf	1.00	8.2		2	12¼	12¼	12¼	-¼
65	39½	Tmbrnd	1.68	3.9	20	880	43	42⅝	43	+⅛
16⅝	8½	Tandem			3	4177	13¾	13⅛	13⅝	+⅛
50¾	24⅝	Tandy	0.60	1.3	29	977	47½	46⅝	46⅞	-⅞
13½	11⅛	Taurus Mun	0.74	6.2		21	12	12	12	
25⅞	19¼	Teco Energ	0.96	4.8	16	6568	20⅞	20	20	-¾
28¼	20⅛	Tktrnx	0.60	2.2	15	770	28⅛	27⅜	27⅝	-⅝
5	1¼	Telecm			20	27	3⅝	3½	3⅝	
27¾	16½	Teldyn	0.80	3.5	17	4328	23⅛	22⅝	22⅞	-⅛
43⅛	28½	TeleEspSA	1.62	3.7	8	3230	u43⅝	43¼	43⅜	+⅛
74½	44⅛	Telmex	0.98	1.3	15	46391	u74⅞	73¾	74	+⅛
54¾	37¼	Tmplnl	1.00	1.9	43	730	53⅞	52¼	52⅞	+⅞
30⅝	14⅞	TempltnEmMk	0.17	0.6		1034	29⅜	29¼	29⅜	
9⅛	7⅞	TempltGlob	0.60	7.5		146	8⅛	8	8	
9	7½	TempltGlFd	0.60	7.5		1221	8	7⅞	8	+⅛
57⅞	39⅛	Tnneco	1.60	2.8	27	7458	57½	55⅞	56	-1½
29½	21¾	Tepco Pfe	2.28	7.9	11	64	29⅛	28¾	28⅞	+⅛
29⅝	13	Teradyne			28	2429	28⅝	27⅞	28¼	-½
11⅞	8⅛	Terex	0.08	0.6	1	624	9⅜	9½	9½	-⅛
8¼	3½	Terra Inds	0.08	1.0	25	1427	u8¼	8	8¼	+⅛
10⅞	3	Tesoro			2	1478	10¾	10⅜	10⅜	-¼
69½	57⅝	Texaco	3.20	4.8	14	3769	67	66½	66½	-1⅛
53⅞	50½	Texaco C	3.00	5.8		32	51⅝	51⅛	51⅝	+¼
33⅝	21¼	Texas Ind	0.20	0.6	40	1108	32¼	32	32¼	+⅛
84¼	45⅞	TxInst	0.72	1.0	14	5589	71⅜	69	71⅛	+⅞
21½	16¾	Texas Pac	0.40	1.9	26	9	u21½	21½	21½	
49¾	36	TxUtil	3.08	8.0	18	4624	39	38⅝	38⅝	
9	3¼	Textl Inds	1.10	30.3	3	249	3⅞	3⅝	3⅝	-⅛
60	40⅜	Textrn	1.24	2.1	14	499	59½	59⅛	59⅛	+¼
4¾	3¾	Thackeray			89	5	4⅛	4⅛	4⅛	-⅛
24¼	10⅝	Thai Cap	0.35	1.7		548	20½	20¼	20¼	
37¾	18⅛	Thai Fund	0.29	0.9		272	33	32¼	32⅞	-⅛
43½	31¼	ThermoElec	0.12	0.3	24	1169	43	42¼	42⅝	-⅛
28	15¾	Thiokol	0.68	2.5	8	808	27⅞	26⅞	27⅜	-⅝
72	57	TmBett	2.24	3.5	20	385	64⅛	63	64⅛	+1
15⅛	9⅛	Thomas Ind	0.40	2.7	36	160	15⅛	14⅞	15	
34¾	17⅝	Thomson Ad	2.55	7.7	13	44	33¼	33	33¼	-¼
27	16⅛	Tidwtr	0.40	1.9	34	3975	21½	21⅛	21¼	-⅛
38	24⅛	Tiffany	0.28	1.0	23	1545	29¾	28½	29	-⅛
46⅞	28¾	TmWarn	0.32	0.8	39	4966	40¼	39⅝	39¾	-⅛
37⅛	28¼	TmsMir	1.08	3.0	59	1675	36⅜	35⅞	36	-¼
36⅝	25½	Timken	1.00	2.7	64	1135	u36¾	36⅜	36⅝	+⅛
4⅛	2	TitanCrp			3	348	3½	3⅜	3⅜	-⅛
13⅝	10½	Titan Pf	1.00	8.8		4	11¼	11¼	11¼	-⅛
6	4	Todd Shp			2	60	4⅛	4⅛	4⅛	
15⅛	6⅝	Todshm Co	0.56	3.9	13	13	14½	14½	14½	-⅛
28	25¾	TolEd2.81	2.81	10.3		14	27½	27	27¼	-⅛
19⅝	8⅞	Toll Bros			23	745	19⅛	18⅞	19	-⅛
83⅜	64½	Tootsie Rl	0.36	0.5	21	38	74	73⅛	73⅛	-1⅛
54¾	41⅛	Tchmrk	1.12	2.4	13	610	47¾	47⅜	47⅜	-¼
28	16½	Toro Corp	0.48	1.8	22	135	27¼	26⅞	27	-⅛
32¾	18⅞	Tosco	0.60	1.8	12	2428	u32⅞	32¼	32½	+¼
33	14½	TotalSyst	0.14	0.5	41	98	26⅞	26	26⅛	+⅛
42⅞	32⅜	TysRUs			24	4932	37	36⅛	36⅞	+⅛
28¾	24⅝	TransamInc	1.92	7.5	11	30	25⅞	25⅝	25⅝	-⅛
62⅞	45⅞	Trnsam	2.00	3.7	10	898	54⅞	53⅞	54⅛	-⅛
61½	49	Transatlan	0.28	0.5	13	186	53⅛	52¾	53	-⅛
18	13	Trnsco	0.60	3.8	39	316	15⅞	15⅝	15⅝	-⅛
17⅝	6⅞	Transcrn R			3	2	13	13⅛	13	+⅛
15⅛	8⅝	Transtech	0.24	1.6	12	315	u15¼	14⅞	15	+⅛
43	38¾	Travlr	0.50	1.2	10	7329	42⅞	41⅛	42⅛	+⅛
18	12⅛	Tredegar	0.24	1.5	18	174	15⅞	15⅝	15⅝	+⅜

- T -

8½	6⅛	TCBY Enter	0.20	3.0	26	411	6⅝	6¼	6⅝	+¼
40	27¾	TCF Financ	1.00	3.2	10	122	31⅞	31	31⅛	
10⅝	8¾	TCW Conv S	0.84	8.8		385	9½	9⅜	9½	
39½	25⅞	TDK Corp A	0.47	1.2	41	12	u40⅛	40	40⅛	+⅜
3¾	1½	T I S Mtge	0.20	10.0	0	39	2	1⅞	2	

15⅞	8⅞	Unitrode			25	98	15	14⅞	15	+⅛
37⅛	30⅞	Univ Foods	0.92	2.8	14	370	32½	32	32½	+¼
18⅞	14⅞	Univ Hlth	1.66	9.6	11	309	17⅞	17¼	17⅝	
1⅞	[illegible]	UnivMed L			0	78	[illegible]	[illegible]	[illegible]	
14¾	9½	Univer Crp	0.30	2.7	34	213	11¼	11	11	-⅛
33⅝	21¾	Univsl Crp	0.96	3.8	11	306	25⅞	25¼	25⅝	
32⅞	23½	Unocal	0.80	2.7	19	5129	29⅝	29	29½	+⅛
60⅝	47¼	UNUM Corp	0.80	1.6	13	1037	51½	50⅝	51⅛	+⅜

- X - Y - Z -

98¼	69⅞	Xerox	3.00	3.1	35	6603	98⅛	95⅛	97¼	-⅞
55½	51½	Xerox4.125	4.12	7.8		72	52¾	52⅝	52⅝	
53	31¼	Xtra Corp	0.56	1.1	21	560	49⅛	48½	48⅞	
29⅛	19½	Yankee Egy	1.16	4.8	14	52	24⅛	23⅞	24	-⅛
1⅝	¾	Zapata			19	838	1⅝	1½	1⅝	+⅛
10½	5⅞	ZnthEl			2	434	7¾	7⅜	7⅜	-⅛
29¼	18⅝	Zenith Nat	1.00	4.4	10	171	22⅞	22½	22¾	+⅛
8	6½	Zemex Inc	0.83	10.4		73	7⅞	7¾	7⅞	+⅛
16⅝	12⅝	Zero	0.40	2.8	17	64	14⅝	14⅝	14⅝	
40¾	25⅛	Zurn Ind	0.88	3.1	62	500	29½	28⅝	28¾	+⅛
13⅞	12⅝	Zweig Fund	1.24	9.2		438	13¾	13½	13½	-⅛
10⅞	9⅝	Zweig Totl	0.95	9.0		1925	10⅛	10⅝	10⅝	

Price data supplied by Telekurs

Yearly highs and lows reflect the period from Jan 1 1993.
Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

4 pm close February 1

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Adv Magn		35	24	12⅞	12⅝	12⅝	-⅛
Air Expr	0.30	13	107	20	19½	19⅞	+⅜
Atlin Inc		1	20	1⅛	1⅛	1⅛	
Alpha Ind		14	30	4¼	4⅛	4⅛	-⅛
Am Isr Pa	1.04	12	7	44½	43⅞	43⅞	-½
AmMaize A	0.64987		78	19¾	19	19¾	+¼
Amdahl	0.05	1	2464	7⅛	7	7⅛	
Am Expl		1	451	1⅜	1¼	1⅜	
Ampal-AmA		68	278	12½	12⅜	12⅜	
ASR Invs	0.72	0	180	[illegible]	[illegible]	[illegible]	
Astrotech		51	62	3½	3⅜	3⅜	
Atari		7	1480	7⅝	7⅛	7¼	
AtlasCM B		1	53	[illegible]	[illegible]	[illegible]	
Audiovx A		14	316	15⅞	15⅜	15⅝	+¼
B&H Ocean	0.55	1	35	[illegible]	[illegible]	[illegible]	
BadgerMtr	0.66	37	13	20⅝	20⅝	20⅝	-¼
BaldwnT A	0.04	28	221	u5¾	5⅝	5¾	+⅛
Barry RG		17	322	17	16⅝	16⅝	-½
BAT Ind	0.29	14	204	[illegible]	7	[illegible]	-⅛
Beard Oil		0	2	[illegible]	[illegible]	[illegible]	
Bergen Br	0.40	22	678	18	17¾	17¾	
Binks Man	0.50	163	2100	22⅞	22⅞	22⅞	-⅛
Bio-Rad A		17	65	11¼	11	11	-¼
Blount A	0.60	35	721	u32½	31½	32¼	+½
Bolar Ph		42	206	6⅝	6⅛	6⅜	
Bow Valley		41	3	10	10	10	
Bowmar		63	72	3⅞	[illegible]	[illegible]	
Bowne	0.30	11	1113	u23	22½	23	+½
Brascan A	1.04	14	154	u13⅞	13⅝	13¾	
Cal Engy		17	1344	17¾	17⅜	17⅞	
Calprop		0	20	1	1	1	
Cambrex	0.20	14	19	u23¼	23⅛	23¼	+⅛
Can Marc	0.28	18	27	11⅜	11⅛	11¼	+⅛
Chmbrs A	0.01	8	205	4⅞	4¾	4¾	
Chambers		10	46	5	4⅝	[illegible]	
Champion		34	1992	u24	23	23⅛	+½

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Chiles		27	464	5¼	4⅞	5	-⅛
Cmpl FdA	0.01		461	5⅞	5⅝	5⅞	+⅛
Cominco	0.30	6	206	16¾	15½	16⅛	+⅜
Computrac		6	3	1⅞	1⅞	1⅞	
Concd FbA		6	2	9½	9½	9½	
CrossAT A	0.64	222	136	13⅞	13⅛	13⅞	-⅛
Crown C A	0.40	10	3	17½	17½	17½	+⅛
Crown C B	0.40	14	35	16⅞	16¼	16⅞	-⅛
Cubic	0.53	60	40	22	21½	21⅞	-⅛
Customedx		14	6	[illegible]	[illegible]	[illegible]	
DI Inds		13	17	[illegible]	[illegible]	[illegible]	
Dimark		22	390	13¾	13½	13⅝	-⅛
Ducommun		5	50	2⅞	d2¼	2¾	-⅛
Duplex	0.48	59	66	11⅜	11¼	11⅜	-⅛
DWG Corp		18	325	31⅛	30⅞	30⅞	
Eastn Co	0.48	17	314	u14¼	12½	14¼	+1¾
Eastgroup	1.72	182	173	19⅞	19⅝	19⅝	-⅛
Echo Bay	0.07	59	7591	15	14⅛	14⅝	+½
Ecol En A	0.28	12	75	15¼	15⅛	15¼	-⅛
Edisto Re		6	23	8⅝	8⅝	8⅝	-⅛
Elan		19	914	44⅝	44⅝	44⅝	-⅛
Engy Serv		93	1965	3⅜	3⅜	3⅜	
Epitope		11	254	19⅞	19⅛	19⅞	
Fab Inds	0.64	13	41	35¼	35	35¼	
Fina A	3.20	11	48	68½	68¼	68¼	-¼
FstCtyBnc	0.20	12	3	11¾	11¾	11¾	
Fluke (J)	0.52	66	99	26⅜	26⅛	26⅝	+⅛
Forest La		30	2736	u51⅛	50¼	51	+⅛
Frequency		4	6	5½	5⅜	5½	
Fr ofLoom		12	2750	32¾	32	32⅝	
Garan	0.80	9	24	32	31⅞	31⅞	-⅛
Giant FdA	0.70	15	2009	23⅝	23¼	23⅜	-¼
Glatfltr	0.70	31	301	18⅞	18⅝	18⅝	
Goldfield		12	131	⅝	[illegible]	⅝	
Greenman		38	746	u7½	7⅛	7⅛	+¼

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Gulf Cda	0.34	2	1080	3½	[illegible]	3½	
Hasbro	0.24	15	7917	33⅞	33⅛	33¾	
Health Ch		6	30	4⅜	4⅜	4⅜	
Heathwst		3	313	3⅝	3½	3⅝	
Heico Cp	0.15	29	z100	10⅜	10⅜	10⅜	
Hillhaven		12	679	[illegible]	[illegible]	[illegible]	
Horn&Hdt		62	380	[illegible]	[illegible]	[illegible]	
HumanlenA		21	293	15⅝	15⅜	15⅝	+⅛
ICH Corp		1	1533	u7⅞	6⅞	7⅛	-⅛
InstronCp	0.12	28	45	11½	11½	11½	-½
Int. Comm		3	6086	4⅛	[illegible]	[illegible]	
Intermagn		75	89	15⅛	15	15	-⅛
Intermark	0.12	0	159	[illegible]	[illegible]	[illegible]	
IntTelchg		0	380	[illegible]	[illegible]	[illegible]	
Ivax	0.04	32	2316	u32½	31½	32⅛	+⅝
Jan Bell		25	1081	7¼	6⅞	7⅛	-⅛
Ketema		20	27	13⅜	13⅜	13⅜	-⅛
Kinark Cp		22	4	4⅜	4⅜	4⅜	-⅛
Kirby Exp		35	312	u22¾	22½	22¾	+⅛
Labarge		12	419	[illegible]	[illegible]	[illegible]	
Laser Ind		25	289	9¼	9	9⅛	
Lee Pharm		15	54	[illegible]	[illegible]	[illegible]	
Lionel Cp		0	240	[illegible]	[illegible]	[illegible]	
Lumex Inc		14	462	11¾	11¼	11½	
Lynch Cp		7	4	24	23¾	24	+¼
Matec'tSc		24	645	23⅞	23⅝	23¾	
Maxxam		3	148	44⅜	43¼	43¼	-⅞
Media A	0.44	27	103	27¾	26½	26⅝	-½
Mem Co	0.20	3	8	4⅛	4⅛	4⅛	
Moog A		12	88	8¾	8⅝	8⅝	-⅛
MSR Expl		2	110	[illegible]	[illegible]	[illegible]	
Nat Pnt		10	984	4½	[illegible]	[illegible]	-⅛
New Line		34	182	25¼	25	25	
NY TmA	0.56	85	2875	28½	28⅛	28⅜	-⅛
NthCanOil	0.20	18	6	9½	9½	9½	+⅛

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Numac O&G		82	15	6⅞	6⅝	6⅝	
NV Ryan		1	1284	[illegible]	⅜	⅜	
Odetics A		34	135	9¾	9¼	9¼	
Olsten	0.24	62	1090	u32¼	31½	31¾	+½
Pegasus G	0.40	122	4702	22⅜	22	22⅛	+⅛
Periel	0.80	2	119	12	11⅞	12	
Pet H&P	1.88	28	z100	20½	20½	20½	
Phil LD	0.23	20	412	74¾	74¼	74⅜	-⅛
Pitney A	0.50	18	51	34¼	33⅞	34	-⅛
Ply Gem	0.12	30	1675	22	21⅛	21⅞	+½
PMC	0.85	18	143	u16¼	15⅞	15⅞	+⅛
PresidioA	0.10	1	143	2⅝	2½	2½	
RaganBrad		32	2	30	30	30	-¼
RB&W Cp		3	7	6⅜	6⅜	6⅜	
RiedelEnv		4	72	2⅞	[illegible]	2⅞	
SJW Corp	2.10	10	4	38⅝	38⅜	38⅜	
StrnUnion		30	86	u33½	32⅝	33⅛	+¼
Sterl El	0.04	12	317	11⅝	11⅛	11⅜	-⅛
Sunair			51	8¼	7¾	8¼	+⅜
Tll Ind		31	180	[illegible]	4⅜	4⅜	
Tab Prods	0.20	50	34	9⅛	9⅛	9⅛	-⅛
Tel&Data	0.34	59	720	46⅞	45⅝	46⅞	-½
Thermedics		69	474	14⅝	13⅞	13⅞	-½
Thermoins		36	356	34	33½	33⅝	+⅛
TotPNA	0.20	19	610	13½	13⅛	13½	+⅛
TownCntry		1	132	[illegible]	[illegible]	[illegible]	+⅛
Tubos Mex		20	3923	6⅝	6⅜	6½	+¼
UtdFoodsA		5	85	u2⅛	[illegible]	2	
UtdFoodsB	0.20	98	57	2⅛	[illegible]	[illegible]	-⅛
UnivPtnts		17	39	6⅜	6⅛	6⅛	-⅛
US Cellul		217	544	29½	28¼	28¼	-¼
Weatherfd		28	423	9⅞	9½	9⅝	
Westamer	0.80	20	74	28¾	28½	28⅝	+¼
WIRET	1.12	18	485	12⅞	12⅝	12⅞	+⅛
Worthen	0.60	10	57	22	21¾	22	+⅜
Xytronix		6	67	6⅞	6⅝	6¾	

NASDAQ NATIONAL MARKET

4 pm close February 1

Stock	Div.	P/ E	Sls 100s	High	Low	Last	Chng
ABS Inds	0.20	20	348	u14½	12¼	13½	+⅜
ACC Corp	0.12	59	575	20	19½	19¾	-¼
Acclaim E		29	18785	23⅝	22⅛	22⅞	+¼
Acme Mtls		40	423	24⅝	23½	24	-¼
Acxiom Cp		33	129	u24½	23¾	23¾	-½
Adaptech		18	6162	19⅞	18¾	19⅝	-⅛
ADC Tele		31	1433	36¾	35¾	36	-¾
Addington		105	403	18½	18	18	
Adia Serv	0.16	17	148	26	24½	25¼	+¾
Adobe Sys	0.20	23	4618	30½	29	29	-1¼
Advance C		11	871	u17	16⅛	16⅛	-½
Adv Logic		6	99	4½	4⅛	4½	
Adv Polym		8	1070	6	5¾	6	+⅜
AdvTcnLab		48	693	17¼	16½	16⅝	+⅛
Advanta	0.20	15	4151	31¾	30¾	30¾	-½
Affymax		13	872	17⅝	17	17⅜	+⅛
Agency Re		22	383	13⅛	13	13⅛	+⅛
AgnicoEa	0.10	131	5400	11⅞	11¼	11⅞	+½
Akzo ADR	0.78	19	1345	54	53¾	53⅞	-¼
Aldus Cp		43	24288	25¾	21¼	22¼	-4
AlexBld	0.88	18	926	26¾	26	26⅝	+⅛
Allegh BW		15	30	7	7	7	+¼
Allen Org	0.48	12	2	30	30	30	
Allen Ph		6	1391	9⅞	9¼	9¼	
AlldCapl	1.00	12	139	14¾	14	14	-½
Alld Cap	0.80	12	587	15	14½	14½	-¾
Alcotte C	0.32475		44	5¼	4⅞	4⅞	-⅛
Alta Gold	0.05	3	383	[illegible]	[illegible]	1⅜	
Altera Co		29	3785	30⅛	29¼	29⅝	-½
Am Banker	0.68	9	474	26¼	25⅞	25¾	-⅛
Am Cty Bu		28	23	u31½	30	30¾	-¼
Am Mgmt		21	164	20¼	19⅞	20¼	+⅛
Am Med El		22	944	13⅝	12¾	13¼	-¼
Am Softwa	0.32600		692	6⅛	5¾	6	
Am Frtwys		30	1137	18¼	17½	18¼	+½
AmGrtA	0.50	17	4579	30¾	30¼	30⅝	+¼
Amer Intc		0	182	⅛	[illegible]	⅛	
AmerInPet		0	4096	[illegible]	[illegible]	[illegible]	
AmNtn	2.20	8	601	52¾	51½	52¾	
AmPwrConv		46	4683	22	21¼	22	+¼
Am Trav		11	90	13¾	13½	13¾	
Am FilmT		1	969	[illegible]	[illegible]	[illegible]	
Amgen Inc		16	24268	48¾	46½	47	-1⅝
Amtech Cp	0.06	42	1015	26¼	25½	26	
AmvstFin		4	2168	5	4⅞	[illegible]	
Analogic		15	104	16¼	15⅞	16⅛	-⅛
Analysts	0.48	14	180	17¾	16¼	16¾	-⅝
AnangelAm	1.00	15	24	18½	18⅛	18½	-⅜
Andrew Cp		26	1730	u46½	44¼	46¼	+2
Andros An		10	428	16	15½	16	+¼
Apogee En	0.30	30	37	15¾	15	15	-½
APP Bio		10	454	5¾	5⅝	5⅝	
Appld Mat		37	8664	45½	43½	45⅛	+1
AppleC	0.48	85	13958	33½	32¼	33¼	+½
Applebees	0.04	60	1615	u24¾	23	23½	
Arbor Dr	0.24	44	488	20¼	19½	19¾	+¼
Arctco	0.21	21	264	24½	23½	24⅛	+⅝
Argonaut	1.00	9	112	31½	30¾	31½	
Armor Al	0.64	27	2012	u21¾	21	21¼	-½
Arnold In	0.20	19	533	20¾	20¾	20¾	
ASK Grp		13	1935	9¼	9	9¼	+⅜

Stock	Div.	P/ E	Sls 100s	High	Low	Last	Chng
Dekalb En	0.32	23	1641	15¾	14½	15¾	+1⅛
Dekalb Ge	0.80	49	3093	34	32½	33⅛	-⅞
Delchamps	0.44	11	154	22½	21½	21¾	
Dell Comp		29	8634	22½	21¾	22	
DeltaDSm	0.16	20	13	17	16½	17	+½
Dep Gty	1.00	8	551	28¾	28¼	28¾	+¼
Devcon	0.20	4	39	6½	6⅜	6⅜	-⅛
DH Tech		14	94	17½	16¾	17½	
Dibrell B	0.72	10	378	26⅞	25¾	26½	+½
Digi Intl		16	2231	20	17⅞	19¼	
Dig Micro		83	1316	28	26½	26½	-1
Dig Sound		6	655	2⅛	[illegible]	2	+⅛
Dig Syst		9	3	4	3¾	3¾	
Dionex Cp		16	388	36	35	35	-¾
Dixie Yrn	0.20	18	169	11	10½	11	
DNA Plant		5	2174	5⅝	5½	5½	-⅛
Dollar Gn	0.20	26	2042	27¼	26	26⅛	-1⅛
Dom Bkshs	0.44	55	961	u27¼	26⅞	27	
Dorch Htn	0.68	22	220	u16½	16	16½	
DrecoEngy		8	15	11⅜	11⅜	11⅜	+⅜
DressBarn		12	2582	11⅞	10⅞	11	-¾
Drey GD	0.24	19	1417	23½	22¾	23¼	+½
Drug Empo	0.08	63	4464	6⅝	6⅜	6⅜	-⅛
DS Bancor	1.08	14	148	u25½	24¾	24¾	
Duriron	0.60	29	919	25¾	24½	25	
Durr Fill	0.30	24	8	u33⅛	32¾	32¾	
DynastyCl		0	5	⅜	⅜	⅜	
Dynatech		12	494	20¼	d19	19	-½

- E -

Stock	Div.	P/ E	Sls 100s	High	Low	Last	Chng
Eagle Fd		10	101	6¼	6	6¼	-¼
Easel Cp		2	98	4⅛	4	4	
EastEnvmt		2	83	[illegible]	[illegible]	[illegible]	
ECI Tel	0.18	35	5361	28⅛	27	27⅝	-⅜
Egghead		58	8674	10¾	9½	10½	
El PasoEl		3	539	[illegible]	[illegible]	[illegible]	
ElectSci		13	541	13⅜	13	13⅛	-¼
Electrlux	0.82	45	22	u45¼	45	45⅛	+⅛
ElectArts		31	28542	29	26¾	26⅞	-1¾
Emcon Ass		29	723	9½	9	9¼	+¼
Emulex Cp		63	1182	7¼	6⅝	7	-¼
EngyVntrs		52	758	14¾	14¼	14¾	+¼
Engraph	0.12	28	32	15⅝	15⅜	15½	
Envir Svs		87	4	2⅝	2⅝	2⅝	
Enzon Inc		4	797	5½	4⅞	5½	+⅝
EquityOil	0.10	22	769	4⅝	4⅜	4½	
Ericsson	0.48	124	4065	45⅜	44⅝	44⅝	-¼
Ethicl			558	9¾	8¾	9¼	+½
Evans Sth		20	533	20¾	20¼	20¼	-½
Everex		0	306	⅜	d¼	⅜	
Exabyte		25	1446	19⅝	19	19⅛	-⅝
Excalibur		15	191	12	11½	12	+½
ExideElec		13	261	18¾	17¾	18¾	-¼
Expedit I	0.10	18	464	16¾	15½	16	-½
ExcorpArw		25	1127	15¼	14¾	15	-¼

Stock	Div.	P/ E	Sls 100s	High	Low	Last	Chng
Jones Med	0.10	23	814	14⅞	13⅞	13⅜	-1⅜
Joslyn Cp	1.16	12	234	25¾	24¾	25¾	
JSB Fin	0.64	12	2475	24¾	23½	24⅝	+1¼
Juno Ltg	0.24	20	1043	20¼	19½	20	+⅜
Justin	0.16	11	447	16	15¼	15⅜	-⅝

- K -

Stock	Div.	P/ E	Sls 100s	High	Low	Last	Chng
K Swiss		14	193	24¾	23⅞	24¼	+⅛
Kaman Cp	0.44	5	258	9⅞	9⅜	9⅝	+⅛
Karcher C	0.09	38	309	13⅞	13⅞	13⅞	+¼
Kaydon Cp	0.40	12	409	20½	19¾	20½	-⅛
KelleyOil		975	1526	9⅞	9⅛	9¾	-⅛
Kelly Sv	0.64	35	331	30	29¼	29½	-¼
KenCentrl	0.44	1	1197	3⅞	3⅞	3⅞	
Kentucky	0.11	12	264	7½	7	7½	
Kimball	0.84	18	316	31¾	31	31¾	+½
Kirschner		30	157	6¾	6¼	6¾	
KLA Instr		45	4093	34⅞	34	34⅜	-⅛
Knowledge		7	2807	16	14⅛	14⅝	-1⅛
Komag Inc		16	4390	18¾	17¾	18½	+½
Kulicke S		11	1063	15¼	14⅞	15¼	+⅛

- L -

Stock	Div.	P/ E	Sls 100s	High	Low	Last	Chng
LDDS A		329	5035	50¼	48¾	49⅞	
La Petite		18	10	u10½	9¾	9¾	
Ladd Furn	0.12	39	1586	10¾	10	10¼	
Lam Rsch		39	3113	36	34⅞	34⅞	-⅞
Lancaster	0.60	21	799	45¾	45	45½	-¼
Lance Inc	0.96	19	428	20	19½	19¾	+¼
LandmkGph		34	2707	26¼	25½	26¼	+¾
Lanoptics		15	382	13⅝	d12¼	12⅞	-⅝
Laserscpe		68	727	5¾	5½	5½	
Lattice S		13	1662	16	15¾	16	
Lawson Pr	0.48	22	1015	30¾	29½	29¾	-⅞
LDI Cp	0.16	10	219	7	6⅞	7	-¼
Lechters		18	1808	14¾	14¼	14½	+¼
Legent Cp		15	8790	28¾	26½	27	-2¾
LibtyHlSc	0.65	15	94	30¼	29½	30	+½
Life Tech	0.20	16	184	18¾	18	18	
Lifeline		21	75	5	4¾	4¾	-¼
LillyIndA	0.40	29	1842	u24¼	23¼	23½	-½
Lin Br		82	633	116½	115½	115⅝	-⅜
Lincoln F	1.08	9	166	27½	26⅞	26⅞	
Lincoln T	0.62	19	763	20	19¼	19⅝	-⅜
LindsayMf		14	30	32¼	31¾	31¾	
LinearTec	0.24	36	2562	u44	43	44	+⅞
LiquiBox	0.40	19	9	37½	35¾	37½	+1¾
Loewen Gp	0.06	31	95	26⅞	26⅞	26⅞	
Lone Star		78	1292	8⅝	8⅜	8⅝	+⅛
LotusD		45	6309	58¾	56⅞	56¾	-1½
LTX Cp		26	1570	3⅞	3⅝	3¾	-⅛
LVMH	3.53	18	27	135½	134	134¼	-1¾

Stock	Div	P/ E	Sls 100s	High	Low	Last	Chng
Preston	0.12	1	14	4⅛	4	4	
PriCosts		26	11389	17⅝	17¼	17⅜	-⅜
Pride Pet		112	74	5⅝	5½	5⅝	
Printron		13	z100	7½	7½	7½	-⅛
Prod Ops	0.24	22	671	25⅜	24¾	25¼	+¼
Protectl.	1.04	14	481	50¼	49½	50¼	
Pulitzer	0.54	12	610	29½	29	29	
Puritan B	0.12	16	301	20¾	20¼	20¼	+¼
Pyramid		21	1384	14¾	14¼	14¼	-¼
QuadraLog		11	336	7⅛	d6¾	6⅞	-¼
QuakerChm	0.62	27	46	15¾	14¾	14¾	
Qual Food	0.20	17	575	22¾	22¼	22¾	+¼
Quantum		73	12724	16⅜	15⅞	16¼	+⅛
Quicksilv		18	2674	12⅝	12¼	12⅝	+¼
QVC Netwk		38	4799	45¾	43¾	44¾	+¾

- R -

Stock	Div	P/ E	Sls 100s	High	Low	Last	Chng
Rainbow		18	1511	21¼	20½	20½	-¼
Rallys		37	3080	11⅞	11⅛	11⅞	+⅜
Rasterops		4	1980	8⅝	8¼	8⅝	+⅛
Raymond		24	173	19	17¾	18	-¾
Recoton		26	506	29½	27½	28	-¾
RegencyCr		47	179	[illegible]	[illegible]	[illegible]	
ReLife A		18	346	u19¾	18¾	19½	-⅛
RepAgen		4	234	7	6½	6¾	+¼
Rep Waste		15	59	3⅜	[illegible]	[illegible]	
ResrchInd		15	309	11¼	10¾	10¾	-½
Reuters	0.69	31	3608	89¼	88¼	88¾	-1⅛
Rexon Inc		1	95	6	5¾	5¾	
River Fst	0.56	11	3	37	37	37	-¼
RoadwS	1.40	23	2083	70¼	69½	70⅛	+⅛
RbNgnt	0.12	22	810	8¾	7¾	7¾	-½
RochSvBk	0.56	3	941	17⅛	16¾	17⅛	+⅛
Roosevelt	1.20	9	403	47¼	46½	46½	-½
Ross Str		10	2748	13¼	13	13¼	
RotechMed		25	1008	18	17	18	+½
Rouse	0.60	69	2887	16¾	16½	16¾	+¼
RPM Inc	0.52	21	809	19⅛	18⅝	19⅛	
RS Fin	0.48	12	5	20¼	20	20	-½
Ryan Fmly		14	2887	7⅞	7⅝	7⅝	-¼

- S -

Stock	Div	P/ E	Sls 100s	High	Low	Last	Chng
Safeco	1.80	8	2605	59¼	59	59¼	+¼
Sanderson	0.30	13	74	17¾	17¼	17¾	
SchlmbrgA	0.36	24	420	34	32¾	33¼	-⅛
Sci Med L		11	1660	43	42	42¼	-¼
SCI Systm		14	849	18⅛	17⅝	17⅝	-¼
Scioc		5	1291	9¾	9⅝	9¾	+⅜
Scitex Cp	0.52	9	3407	23⅞	23⅛	23⅞	-⅛
Score Brd		16	717	15¼	14¾	15¼	
Seafield	1.20	76	15	37¼	36¾	37¼	-¼
S'gate		11	4531	24¾	23⅞	24¼	+½
SEI Cp	0.12	39	110	25¼	24½	25	+½
Selbold B	0.36	0	63	1¾	1⅝	1¾	
Selectins	1.12	19	43	28¼	27¾	28¼	
Sequent		61	4628	16	15½	15⅞	+⅛

AMERICA

Profit-taking follows weaker bond prices

Wall Street

After four consecutive record closes, US stocks paused yesterday morning as weakening bond prices gave investors an excuse to book profits, *writes Frank McGurty in New York.*

By 1 pm, the Dow Jones Industrial Average was 9.57 lower at 3,968.79, and the more broadly based Standard & Poor's 500 was down 1.37 at 480.34. In the secondary markets, the American SE composite ebbed 0.04 to 485.64. The Nasdaq composite, off 4.73 at 795.74, also fell back from a record level.

Volume on the NYSE was heavy, with 194m shares traded by 1 pm. Declining issues led advances, 1,116 to 885.

The day's economic data was generally positive for stocks. The National Association of Purchasing Management revealed that its January index of business conditions rose to 57.7 per cent, from 51.1 per cent in December. The figure, which was a little better than expected, showed the economy was continuing to expand last month, after an especially robust December.

The overall impression was supported by the Commerce Department, which reported December construction spending up 2.6 per cent, well ahead of expectations.

But both sets of data rattled the bond market, and the NAPM report, a better leading indicator, was particularly unnerving. It included evidence of a sharp rise in prices paid by manufacturers, rekindling the inflationary fears of fixed-rate investors. The consequence was a ¹¹⁄₃₂ decline in the price of the benchmark 30-year government bond to 99½ by midday.

After a positive opening, stocks quickly followed bonds on a downward path. The setback included some of high-flying cyclical issues which have led the market's recent rally. 3M shed $1¼ to $106¼, United Technologies $1 to $66⅝ and Bethelem Steel $⅝ to $23.

Tenneco, a diversified industrial group, fell $1½ to $56 in spite of its announcement of strong fourth-quarter operating results.

However, Caterpillar, the heavy equipment manufacturer, showed no sign of flagging. The stock was $1¼ higher at $105⅝.

Allegheny-Ludlum, a steel products supplier, climbed into the NYSE's most active list after disappointing investors with its fourth-quarter results. The issue retreated $1¼ to $21 with nearly 11m shares changing hands.

Among regional telephone operators, Bell Atlantic dropped $1⅞ to $55 amid growing concerns over its proposed merger with Tele-Communications, which was $⅛ easier at $26⅞.

On the Nasdaq, technology stocks were generally weaker. Intel, down $1⅞ to $64, led the retreat, with Lotus Development shedding $⅞ to $57¼ and MCI Communications $⅝ to $27.

Canada

Toronto remained firm at midday as a soaring precious metals index led the advance. The TSE 300 composite index lost some of it earlier gains, but remained 17.85 higher at 4,572.70 at noon in volume of 43.2m shares.

Advancing issues led declines 346 to 270, with 323 stocks unchanged. Gold and silver continued to climb at noon, rising 191.86 or 1.8 per cent, to 11,008.78. Placer Dome was the most active gold stock, rising C$⅞ to C$34⅞ in volume of 788,000 shares.

Bovespa index rises 8% by midsession

São Paulo saw an influx of foreign money into Brazilian stocks boost the Bovespa index by 6,176, or 8 per cent, to a new high of 80,231 by midsession, after soaring 8 per cent in local currency terms on Monday.

Investors bought on hopes of rapid congressional approval for a key element of the government's economic plan. Congress is expected to vote later this week on the proposal by Mr Fernando Henrique Cardoso, the economy minister, calling for a social welfare fund.

Analysts added that stronger demand, stemming from some newly created emerging market equity funds, has also prompted foreign investors to rush into the market.

● Mexican equities also touched a new record high in early trading to pass the 2,800 level on positive expectations for Telmex earnings due soon. The IPC index gained 20.18 at 2,801.55 as Telmex ADRs improved $1 to $74⅞.

● In Argentina, the Merval index lost momentum from Monday's 2.7 per cent rise, when it reached an 18-month high, as the market slipped 3.93 to 679.19 in early trading. This was the first downturn after five consecutive rises.

● In Venezuela, investors reacted fairly positively to the announcement of a new cabinet by President-elect Caldera which counter-balanced news of a slowdown in electricity prices that is likely to have an effect on the earnings of Electricidad de Caracas. The shares slipped to 284 bolivars before regaining some lost ground to close at 300 bolivars, down 73 bolivars. The Bursatil index advanced 1.5 per cent.

Equity hopes raised by Lebanon reawakening

Mark Nicholson hears talk of a bonanza in Beirut

If investments of cash come to match those of hope in Lebanon's reawakening capital market, there is a bonanza in store.

Blakeney Management, London-based specialists in Middle East markets, tells clients in its first-quarter bulletin that "Beirut has the potential to be one of the best-performing markets this year".

Merrill Lynch advised its emerging market watchers late in 1993 that Lebanon was, with Cuba, Vietnam and Israel, a country where returning expatriate capital could ignite the local financial market.

Mr Riad Salame, governor of Lebanon's central bank, quotes IFC data forecasting that Lebanon's equity market could reach a capitalisation of $25bn within a decade.

Meanwhile, it is early days. Although Lebanon has been at peace for more than three years and reconstruction is gathering pace, the country's capital market is presently little more than a twinkle in investors' eyes.

Beirut's stock market has been closed since the middle of the civil war and the sole negotiable securities at present are Lebanese pound denomination government treasury bills.

But there are signs of movement. The first was the successful share offering last month to capitalise Solidere, the $1.8bn company which will manage the reconstruction of downtown Beirut.

Mr Salame says that a secondary market in the $100 shares should open within a few weeks. In the absence of a stock market, he says, the shares will be quoted and tradeable under the auspices of the Société Financiere du Liban, a group jointly owned by 44 of Lebanon's commercial banks, which will at the same time centralise all T-Bill trading.

In time, and Mr Salame is reluctant to say how much time, this centralised market will form the basis for a reopened stock and bond exchange.

Much needs to be done first, including making amendments to capital market legislation and finding a new building for a fully fledged exchange. But, with an eye on growing emerging market funds available from London, New York and elsewhere, Mr Salame says that the market, when it reopens, will be open to direct foreign investment. "We have always been an open market, and we intend to remain such," he adds.

A number of foreign institutions are, accordingly, starting to position themselves.

Both Paribas, the French merchant bank, and Saudi American Bank, the Saudi joint-venture bank – both of which acted as subscription agents in the Solidere issue – are understood to be setting up local branches shortly.

Paribas is considering establishing a separate investment company. Merrill Lynch is also said to be looking to expand its small Beirut office; and Banque Audi, the Beirut-based commercial bank, says it expects this year to establish the first local investment fund.

Emerging markets specialists are telling their clients that the Lebanon economy, war-torn but under reconstruction, has the potential to produce one of the best equity performances in the world this year.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY JANUARY 31 1994								FRIDAY JANUARY 28 1994					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1993/94 High	1993/94 Low	Year ago (approx)
Australia (69)	185.21	2.9	183.20	127.61	167.98	173.68	2.6	2.96	180.00	177.49	124.16	161.64	169.21	185.21	120.50	121.12
Austria (17)	192.53	0.2	190.44	132.66	174.60	174.35	1.2	0.91	192.14	189.46	132.63	172.54	172.25	192.53	139.23	139.80
Belgium (42)	168.07	0.2	166.24	115.80	152.42	148.86	0.6	3.87	167.78	165.43	115.73	150.66	147.71	168.07	138.95	140.87
Canada (107)	142.47	1.4	140.92	98.17	129.20	136.83	1.6	2.45	140.48	138.52	96.90	126.15	134.72	145.31	113.54	113.54
Denmark (32)	269.93	0.0	267.00	185.99	244.79	248.57	0.8	0.91	269.85	266.07	186.13	242.31	246.50	269.93	195.66	208.90
Finland (22)	150.59	1.5	148.96	103.76	136.56	175.35	1.5	0.58	148.36	146.29	102.33	133.22	172.79	150.59	85.50	87.57
France (99)	182.95	0.2	180.96	126.06	165.91	169.86	0.9	2.74	182.61	180.05	125.95	163.97	168.40	182.95	142.90	144.66
Germany (59)	134.73	0.6	133.27	92.83	122.18	122.18	1.6	1.73	133.88	132.01	92.35	120.22	120.22	142.38	105.56	106.86
Hong Kong (56)	469.84	0.6	464.75	323.74	426.10	465.89	0.6	2.28	466.91	460.39	322.06	419.28	463.04	506.56	225.77	228.35
Ireland (14)	206.06	1.3	203.83	141.99	186.88	201.83	1.6	2.76	203.35	200.51	140.26	182.61	198.55	207.53	129.29	141.74
Italy (68)	75.46	3.4	74.64	51.99	68.43	95.73	3.9	1.71	72.95	71.93	50.32	65.51	92.15	78.93	55.21	59.79
Japan (469)	150.27	8.9	148.64	103.54	136.28	103.54	6.6	0.79	140.58	138.62	96.97	126.24	96.97	165.91	104.65	104.62
Malaysia (69)	495.36	1.1	489.99	341.32	449.23	527.46	1.2	1.38	490.05	483.21	338.02	440.07	521.19	621.63	258.07	258.07
Mexico (18)	2526.07	1.6	2498.64	1740.54	2290.79	8575.60	1.6	0.59	2487.01	2452.24	1715.44	2233.26	8444.36	2526.07	1410.30	1586.13
Netherland (26)	206.92	0.9	204.68	142.58	187.66	184.54	1.8	2.87	205.13	202.27	141.49	184.21	181.22	206.92	153.15	154.93
New Zealand (14)	75.66	3.3	74.84	52.13	68.62	70.74	3.3	3.31	73.25	72.22	50.52	65.77	68.51	76.66	41.86	41.92
Norway (23)	201.47	0.1	199.29	138.82	182.71	204.88	0.8	1.24	201.28	198.46	138.83	180.74	203.32	201.47	138.48	141.02
Singapore (45)	352.87	2.4	349.05	243.14	320.01	259.08	2.4	1.59	344.63	339.82	237.71	309.46	252.91	378.92	213.57	218.58
South Africa (60)	250.34	1.0	247.62	172.49	227.02	241.98	0.7	2.36	247.86	244.39	170.96	222.57	240.40	280.26	159.33	160.69
Spain (42)	155.79	1.3	154.10	107.34	141.28	166.15	1.8	3.60	153.81	151.66	106.09	138.12	163.16	155.79	116.33	126.41
Sweden (36)	229.27	2.1	226.79	157.98	207.92	268.96	2.1	1.30	224.65	221.51	154.98	201.73	263.41	229.27	149.69	152.82
Switzerland (49)	174.63	0.6	172.73	120.33	158.37	158.77	1.1	1.37	173.65	171.20	119.76	155.91	157.00	174.63	109.14	112.22
United Kingdom (215)	213.59	0.8	211.27	147.17	193.70	211.27	1.1	3.41	211.30	208.94	146.16	190.29	208.94	213.59	162.00	168.22
USA (518)	195.84	0.6	183.72	134.94	177.60	195.84	0.6	2.68	194.74	192.02	134.32	174.87	194.74	195.84	178.29	179.34
EUROPE (744)	177.37	0.8	175.45	122.22	160.85	171.25	1.4	2.65	175.89	173.43	121.32	157.95	168.92	177.37	134.16	135.98
Nordic (113)	218.54	1.4	216.17	150.58	198.19	224.81	1.6	1.10	215.56	212.54	148.68	193.66	221.19	218.54	142.13	145.24
Pacific Basin (722)	162.64	6.0	160.88	112.07	147.50	116.08	5.8	1.05	153.51	151.36	105.88	137.85	109.67	168.80	109.26	109.37
Euro-Pacific (1466)	168.62	3.7	166.79	116.18	152.91	137.46	3.8	1.75	162.67	160.39	112.20	146.07	132.37	168.62	119.43	120.13
North America (625)	192.52	0.6	190.43	132.65	174.58	191.77	0.6	2.67	191.37	188.69	132.00	171.84	190.80	192.52	172.87	175.28
Europe Ex. UK (529)	154.65	0.9	152.97	106.56	140.24	147.63	1.6	2.17	153.31	151.17	105.75	137.67	145.38	154.65	115.10	116.32
Pacific Ex. Japan (253)	281.43	1.6	278.38	193.92	255.22	259.52	1.5	2.31	277.02	273.15	191.08	248.77	255.59	288.21	155.37	155.97
World Ex. US (1651)	170.36	3.5	168.51	117.38	154.50	140.66	3.7	1.76	164.57	162.27	113.51	147.78	135.65	170.36	120.63	121.25
World Ex. UK (1954)	174.38	2.6	172.49	120.16	158.14	152.86	2.7	1.95	169.95	167.57	117.23	152.61	148.86	174.38	137.19	137.19
World Ex. So. Af. (2109)	177.39	2.4	175.47	122.23	160.87	157.23	2.5	2.09	173.18	170.76	119.45	155.51	153.32	177.39	139.85	139.85
World Ex. Japan (1700)	194.15	0.8	192.05	133.78	176.07	190.15	1.0	2.60	192.64	189.95	132.88	172.99	188.31	194.15	159.44	159.82
The World Index (2169)	177.80	2.4	175.87	122.51	161.24	157.93	2.5	2.10	173.60	171.17	119.74	155.89	154.04	177.80	139.88	139.88

Latest prices were unavailable for this edition.

EUROPE

Story-driven stocks active on easier day

Bourses mostly eased back after Monday's excesses, *writes Our Markets Staff.*

FRANKFURT lifted BMW by another DM51 to DM790.50 for a two-day gain of 15.7 per cent.

Without this, the Dax index would not have achieved its minimal, 2.22 gain on the session to 2,179.67, itself a 12.93 drop from Monday's post-bourse close. Monday's other main story-driven stocks, Degussa and Thyssen, fell DM10.80 to DM478 and DM2.90 to DM259 after US-voiced reservations about aluminium production cuts late on Monday.

Turnover fell from DM11.2bn to DM10.5bn. Mr Eckhard Frahm, of Merck Finck in Düsseldorf noted that January's few gains in Dax stocks came in story-driven cyclicals as the index itself fell 3.9 per cent on the month. The drop would have been 10 per cent if the count had stopped at the low of 2,035.76 of January 24.

PARIS edged lower but there were some wide fluctuations as the CAC-40 index slipped 3.07 to 2,331.29.

Euro Disney came back into favour, rising FFr2.20 to FFr37.75 ahead of today's meeting by creditor banks on hopes that a resolution might be found to the theme park's cash crisis. Suez, too, defied the downtrend, FFr5.50 higher at FFr361.00 on news that it might be close to concluding the sale of its Groupe Victoire division.

Paribas advanced FFr22 or 4 per cent to FFr563 ahead of tomorrow's full year results, while LVMH lost FFr28 to FFr3,962 in spite of reporting an improvement in sales.

AMSTERDAM saw a number of the heavily weighted stocks succumb to a combination of profit-taking, the weaker dollar and technical selling.

The AEX index lost 2.97 to 435.74 after moving higher early in the session to set an intraday record high of 440.69.

KLM fell back Fl 1.00 to Fl 46.40 ahead tomorrow's quarterly results. Hoare Govett maintained its buy recommendation for the airline earlier this week, noting that it has enhanced its competitive position in the sector through cost savings in recent years. The broker forecast a net profit of Fl 9m after a net loss of Fl 433m in the same period last year.

Fokker continued to dip after the sudden resignation of its chairman, the shares losing Fl 1.00 at Fl 22.90 on worries that the boardroom shake-up might have an impact on restructuring proposals.

MADRID dropped nearly 2 per cent, dragged down by the Banesto requotation which accounted for half the index fall, said Mr Chris Cooper at James Capel. The general index tumbled 7.04 to 351.27 as turnover rose from Pta47.7bn to Pta49.5bn.

Banesto closed at Pta855 against a pre-suspension level of nearly Pta2,000, and a high and low yesterday of Pta895 and Pta850 respectively as it traded in 3.8m shares. One of the few winners was Telefónica, upgraded from hold to buy by Prudential Securities in the US, and Pta35 higher at Pta2,030.

MILAN's Comit index, still encouraged by the calmer political outlook, rose 3.63 to a fourth consecutive high of 665.75 in spite of some profit-taking in blue chips.

The market has risen by 4.7 per cent since last Thursday and Actinvest, an independent research group which does not believe that the left can win a majority in elections at the end of March, is forecasting that the Comit could reach 700 before the poll and rise to around 750 later.

In banks, San Paolo fell L268 or 4.3 per cent to L10,400 after its results. Elsewhere, Benetton shed L1,358 or 4.9 per cent to L26,644 as it priced a placing of shares for foreign markets at L26,500 and Burgo, the papermaker, fell L558 or 5.1 per cent to L10,339 as its board approved a one for five rights issue.

ZURICH hit profit-taking after its five day rally and the SMI index, which peaked at 3,181.7, finished 29.7 lower at 3,148.7 in active trading.

HELSINKI continued higher, the HEX index adding 33.8 or 1.8 per cent to a record 1,929.5, helped ahead by lower domestic interest rates. **COPENHAGEN** was also at an all time high, the KFX index adding 1.45 to 117.38, its advance attributed to lower interest rates and expectations of strong economic growth and increased corporate profitability.

WARSAW dropped 9.8 per cent, the WIG index losing 1,653 at 15,227.9 following warnings by several politicians that the exchange was a speculative "bubble". Turnover fell by almost 60 per cent to 1.900bn zlotys as the bourse scaled down most sell offers and suspended trade in five stocks because of waning demand.

ATHENS rallied after five consecutive losses, the general index closing 28.79, or 2.7 per cent higher at 1,083.96. Trading was heavy with more than 4m shares changing hands.

ISTANBUL climbed 4.35 per cent but the lira swayed as Turkish monetary officials tried to soothe markets after the central bank governor quit on Monday. The composite index rose 873.97 to 20,978.8 on news of a decree to be issued today allowing equity-fund certificates to back repurchase agreement transactions.

Written and edited by William Cochrane, John Pitt and Michael Morgan

FT-SE Actuaries Share Indices

Feb 1							THE EUROPEAN SERIES	
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1542.23	1542.82	1536.93	1533.87	1532.39	1532.88	1534.53	1532.83
FT-SE Eurotrack 200	1609.81	1609.84	1606.56	1599.19	1597.24	1598.25	1598.14	1596.10
	Jan 31	Jan 28	Jan 27	Jan 26	Jan 25			
FT-SE Eurotrack 100	1540.19	1510.22	1496.68	1490.96	1485.10			
FT-SE Eurotrack 200	1604.26	1576.86	1566.24	1562.49	1564.22			

Base value 1000 (26/10/90); Highday: 100 - 1543.77; 200 - 1610.53 Lowday: 100 - 1531.23 200 - 1595.21

ASIA PACIFIC

Hong Kong up 3% as Tokyo volume climbs

Tokyo

Monday's sharp rise attracted active trading, and the Nikkei average closed moderately higher as volume jumped to 950m shares, *writes Emiko Terazono in Tokyo.*

The 225-issue index gained 187.22 at 20,416.34 as corporate investors sold into strength, supported by buying by overseas investors and domestic individuals. The Topix index of all first section stocks added 13.88 at 1,643.10, but in London the ISE/Nikkei 50 index retreated 12.61 to 1,346.17.

The Nikkei fell to the day's low of 20,237.52 in the morning, and peaked at 20,509.95 in the afternoon, rising above 20,500 for the first time since October 26 last year. Selling pressure from institutional investors, who had bought shares in order to support the Nikkei index last year, was especially strong at those levels.

Traders said the Nikkei's recovery past the 20,000 level had boosted investor confidence. "Monday's rise was more effective in supporting the market than an income tax cut, since it increased the Tokyo market's capitalisation by Y20,000bn," said Mr Yasuo Ueki at Nikko Securities.

Buying ahead of Thursday's announcement of the government's economic stimulus package may drive the index above the next resistance line of 21,148 reached in September.

Rises led declines by 677 to 347, with 123 issues unchanged.

Nippon Telegraph and Telephone put on Y32,000 at Y1.01m, recovering the Y1m level for the first time since April 19 last year. Other telecommunication and multimedia related issues were also higher, with Fujitsu rising Y20 to Y1,040 and Fujikura, a cable maker, gaining Y21 at Y1,010.

The yen's strengthening hurt export-oriented sectors. Pioneer Electronic fell Y40 to Y2,980 and Hitachi declined Y3 to Y903. Steelmakers were weak, with Kawasaki Steel slipping Y9 to Y372.

Honda Motor receded Y40 to Y1,700 following BMW's acquisition of Rover.

Some banks were lower on profit-taking. Industrial Bank of Japan shed Y20 to Y3,340.

In Osaka, the OSE average added 256.82 at 22,121.65 in volume of 83.8m shares.

Roundup

The region was mainly stronger on renewed foreign demand for equity. Kuala Lumpur was closed.

HONG KONG rose sharply on overseas buying ahead of the Chinese new year, encouraged by approval of a funding plan for the new airport.

The Hang Seng index advanced 339.87, or nearly 3 per cent, to 11,826.89. Turnover expanded to HK$9.2bn from Monday's HK$7.1bn.

Expectations of strong corporate results aided sentiment, brokers added. Among the blue chips, HSBC Holdings topped the active list, surging HK$5 to HK$120, while Hang Seng Bank rose HK$1.50 to HK$77. Cheung Kong put on HK$2 at HK$50.50.

SEOUL climbed to finish at a 52-month high in spite of selling pressure from the market stabilisation fund, which placed sell orders worth Won400bn.

The composite index moved up 14.39, or 1.52 per cent, to 960.10. Turnover amounted to Won1,350bn.

TAIWAN was supported by buying of stocks in the construction sector, which has lagged behind the market's recent rise. The weighted index ended 61.79 higher at 6,176.91 in turnover of T$101bn, after Monday's T$89.25bn.

Textile stocks remained firm on expectations of a recovery in the industry and higher product prices. Shinkong Synthetic Fibres moved forward T$1.20 to T$30.20.

MANILA slipped back following worries over bomb attacks on three oil companies and fears of further protests against a 15 per cent increase in fuel prices.

The composite index surrendered 39.07 to 2,835.49 in turnover of 1.14bn pesos.

SINGAPORE was firmer, helped by foreign demand for selected stocks. The Straits Times Industrial index rose 9.98 to 2,349.08.

NEW ZEALAND gained fresh impetus from economic data which showed an improvement in growth. The NZSE-40 capital index added 25.7 at 2,423.62.

Telecom, which has been leading the market higher in recent sessions, advanced a further 11 cents to NZ$4.96.

PAKISTAN rose on the first day of the new account and the KSE 100 index closed 28.00 stronger at 2,272.07.

Brokers said they expected share prices to continue to recover after heavy selling pressure last week.

SOUTH AFRICA

Johannesburg finished off earlier highs as political uncertainty clouded sentiment. The gold shares index put on 19 at 1,957, the industrial index 21 at 5,557 and the overall index 18 at 4,771. Anglos advanced R2 to R195.50.